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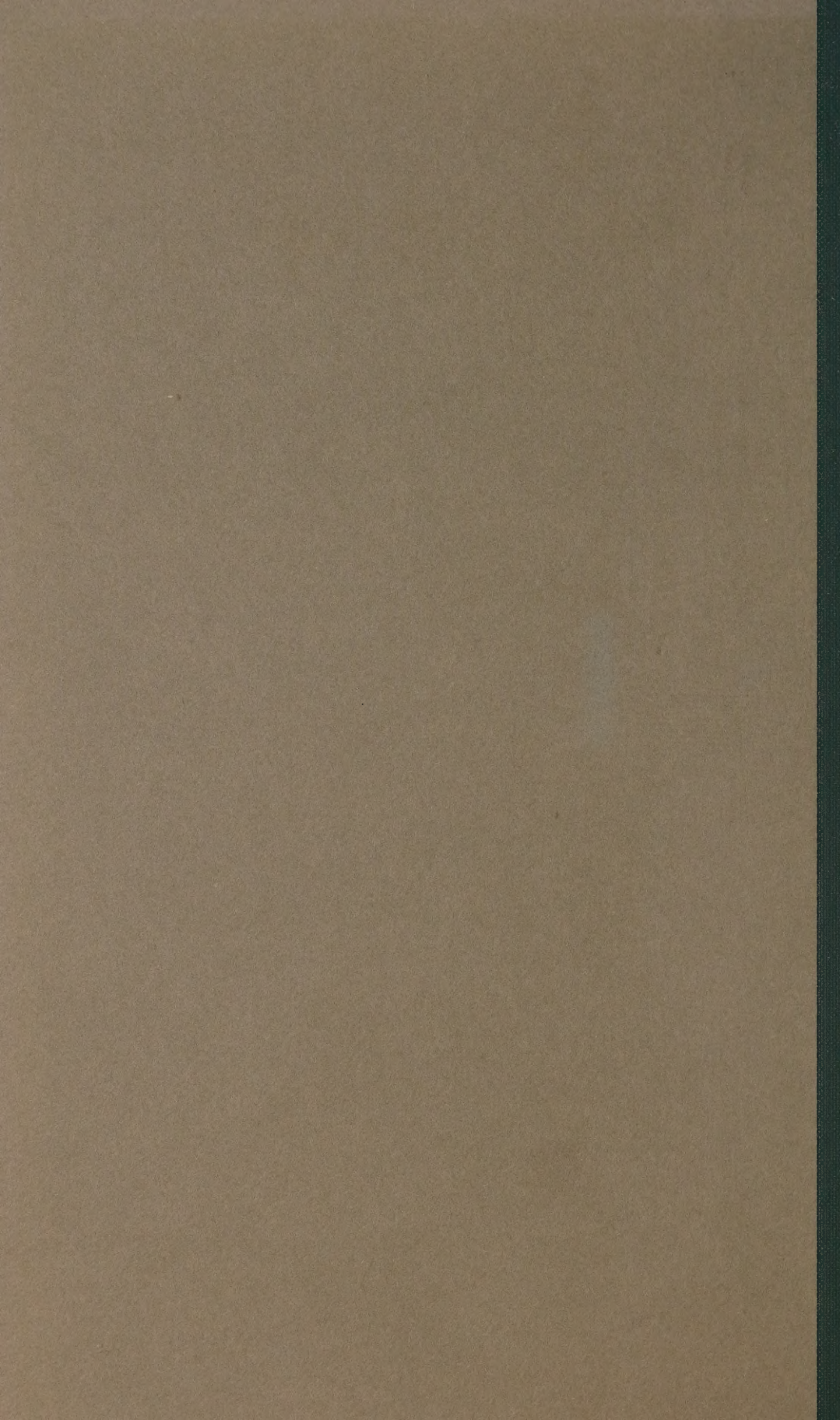
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Government  
Publications

Canada. Parliament.  
House of Commons.  
Special Cttee. on Bill 107, and  
Act to Amend the Post Office Act.  
Minutes of Proceedings and  
Evidence.  
1953.  
No. 1-3











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to amend the post office Act, Special Committee

HOUSE OF COMMONS

Seventh Session—Twenty-first Parliament

1952-53

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SPECIAL COMMITTEE

ON

BILL 107

An Act to Amend The Post Office Act

Chairman: R. McCUBBIN, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

and

No. 1

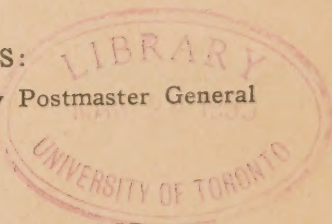
report

THURSDAY, MARCH 5, 1953

TUESDAY, MARCH 17, 1953

WITNESS:

Mr. W. J. Turnbull, Deputy Postmaster General



EDMOND CLOUTIER, C.M.G., O.A., D.S.P.  
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1953



SPECIAL COMMITTEE

ON

BILL 107

AN ACT TO AMEND THE POST OFFICE ACT

*Chairman:* R. McCubbin Esq.

*Vice-Chairman:* A. Dumas Esq.

Messrs.

Ashbourne,  
Boucher,  
Brisson,  
Bryce,  
Cardiff,  
Cardin,  
Coyle,  
Cruikshank,  
Dinsdale,

Dupuis,  
Fair,  
Garland,  
Gour (*Russell*),  
Green,  
Langlois (*Gaspé*),  
MacKenzie,  
MacLean  
(*Queens*),

McCulloch,  
McWilliam,  
Montgomery,  
Noseworthy,  
Robertson,  
Spence,  
Ward,  
Welbourn.

ERIC H. JONES,  
*Clerk of the Committee.*

## ORDERS OF REFERENCE

House of Commons,

THURSDAY, January 29, 1953.

*Resolved*,—That a Special Committee be appointed to consider the Bill, An Act to amend the Post Office Act, and also the regulations, general administration and operation of the rural mail delivery service; with power to send for persons, papers and records, to examine witnesses, to print its evidence and proceedings from day to day, and to report from time to time its observations and opinions thereon and that, notwithstanding the provisions of Standing Order 65, the Committee shall consist of twenty-seven Members to be designated by the House at a later date.

*Resolved*,—That the Members of the said Committee be as follows:—Messrs. Ashbourne, Beyerstein, Boucher, Brisson, Bryce, Cardiff, Cardin, Coyle, Cruickshank, Dinsdale, Dumas, Dupuis, Garland, Gour (*Russell*), Green, Hosking, Langlois (*Gaspé*), MacKenzie, MacLean (*Queens*), McCulloch, McWilliam, Noseworthy, Robertson, Robichaud, Spence, Ward and Welbourn.

MONDAY, March 2, 1953.

*Ordered*,—That the following Bill be referred to the said Committee:—Bill No. 107, An Act to amend The Post Office Act.

MONDAY, March 2, 1953.

*Ordered*,—That the name of Mr. Montgomery be substituted for that of Mr. Robichaud; and

That the name of Mr. Fair be substituted for that of Mr. Beyerstein; and

That the name of Mr. McCubbin be substituted for that of Mr. Hosking on the said Committee.

THURSDAY, March 5, 1953.

*Ordered*,—That the quorum of the said Committee be reduced from 14 to 10 Members.

*Ordered*,—That the said Committee be granted permission to sit while the House is sitting.

*Attest*

LEON J. RAYMOND,  
Clerk of the House.



## REPORT TO THE HOUSE

THURSDAY, March 5, 1953.

The Special Committee appointed to consider Bill No. 107, An Act to amend The Post Office Act, begs leave to present the following as a

## FIRST REPORT

Your Committee recommends:

1. That the quorum be reduced from 14 to 10 members.
2. That permission be granted to sit while the House is sitting.

All of which is respectfully submitted.

L. LANGLOIS,  
*Vice-Chairman.*



## MINUTES OF PROCEEDINGS

THURSDAY, March 5, 1953

The Special Committee appointed to consider Bill No. 107, An Act to amend The Post Office Act, met this day at 11.00 o'clock a.m.

*Members present:* Messrs. Ashbourne, Boucher, Brisson, Bryce, Cardiff, Cardin, Coyle, Cruickshank, Dinsdale, Fair, Gour (*Russell*), Langlois (*Gaspé*), MacKenzie, MacLean (*Queens*), Montgomery, Noseworthy, Robertson and Ward.

A quorum having assembled, Mr. Robertson, addressing himself to the Clerk, moved that Mr. McCubbin be Chairman of the Committee.

And the question being put on the said motion, it was agreed to.

The Clerk then informed the Committee that, unfortunately Mr. McCubbin, due to illness, could not attend this day's sitting.

Thereupon Mr. Cardin moved that Mr. Langlois be Vice-Chairman of the Committee.

And the question being put on the said motion, it was agreed to.

Mr. Langlois presiding:

On motion of Mr. Cruickshank,

*Resolved*,—That the Committee recommend to the House that it be granted permission to sit while the House is sitting.

On motion of Mr. Fair,

*Resolved*,—That the Committee recommend to the House that its quorum be reduced from 14 to 10 members.

On motion of Mr. Boucher,

*Resolved*,—That the Committee print from day to day 750 copies in English and 250 copies in French of its Minutes of Proceedings and Evidence.

On motion of Mr. Cruickshank,

*Resolved*,—That a sub-committee on agenda of six members be appointed by the Chairman.

After discussion and on motion of Mr. Bryce,

*Resolved*,—That the following information be placed before the Committee at the earliest possible date:

1. How many rural routes are in each Province?
2. How many have (a) daily service (b) three times per week (c) twice weekly (d) once per week?
3. What is the average rate per mile for each federal constituency?
4. What is the average number of boxes per route per province?
5. What number of rural routes per federal constituency?

At 11.30 o'clock a.m. the Committee adjourned to meet again at the call of the Chair.

TUESDAY, March 17, 1953

The Special Committee on Bill No. 107, An Act to amend the Post Office Act, met at 11.00 o'clock a.m. this day. The Chairman, Mr. Robert McCubbin, presided.

*Members present:* Messrs. Ashbourne, Boucher, Bryce, Cardiff, Coyle, Cruickshank, Dinsdale, Dumas, Dupuis, Fair, Gour (*Russell*), Langlois (*Gaspé*), MacKenzie, MacLean (*Queens*), McCubbin, McCulloch, McWilliam, Montgomery, Robertson, Ward and Welbourn.

*In attendance:* Hon. Alcide Côté, Postmaster General and Mr. W. J. Turnbull, Deputy Postmaster General.

The Chairman thanked the Committee for the honour they had conferred on him by electing him Chairman.

The minutes of the proceedings of the Committee held on Thursday, March 5, 1953, were read by the Clerk, and, on motion of Mr. Gour, were approved.

The First Report of the Sub-Committee on Agenda, dated March 16, 1953, was read by the Clerk, as follows:

Your Sub-Committee agreed to recommend as a First Report:

1. That the Committee at its meeting on Tuesday March 17, 1953, proceed to consider Bill 107.

2. That, on March 17, 1953, the Committee hear a statement on Bill 107 by the Postmaster General; and that it then examine appropriate officials of the Post Office Department.

3. That the Committee meet from day to day, as frequently as is practicable and, when possible, in both mornings and afternoons.

On motion of Mr. Robertson,

*Resolved*,—That the First Report of the Sub-Committee on Agenda, dated March 16, 1953, be agreed to.

The Chairman announced that Mr. Langlois had resigned as Vice-Chairman of the Committee.

On motion of Mr. Gour,

*Resolved*,—That Mr. Dumas be Vice-President of the Committee.

The Chairman then read a letter from the Deputy Postmaster General, dated March 9, 1953, replying to a request by Messrs. Bryce and Cruickshank, of March 5, for certain information regarding rural mail service.

*Ordered*,—That the answers be printed (*See appendices Nos. 1 to 5 inclusive, to this day's evidence*).

The Committee then proceeded to consider Bill No. 107, An Act to amend the Post Office Act.

On invitation of the Chairman, Hon. Mr. Côté then made a statement regarding the remuneration of rural mail contractors and answered questions thereon.

Mr. Turnbull was called and made a general statement on the operation of the postal service, especially in regard to the carriage of mail, in particular by rural carriers. He was questioned thereon.

There ensued a lengthy discussion of the subject, during which Messrs. Côté, Turnbull and Langlois answered questions.



Mr. Cruickshank moved:

That the provincial association of rural mail carriers be invited to send a representative before this Committee.

Mr. Robertson moved, in amendment thereto, that the Sub-Committee on Agenda consider who should be called before the Committee, and report back.

The question being put on the amendment, it was resolved in the affirmative.

At 12.50 o'clock p.m., the Committee adjourned until Wednesday, March 18, at 4.00 o'clock p.m.

ERIC H. JONES,  
*Clerk of the Committee.*





## EVIDENCE

March 17, 1953

11.00 a.m.

The CHAIRMAN: Gentlemen, I wish at the outset to thank you for the privilege you have given me to act as chairman of this committee, and I feel that if we all work co-operatively together we will try and do a job for these rural mail carriers who need some adjustment of the remuneration they are receiving. Without any further words, I think we should, as the reports of our first meeting are not yet printed, have the minutes of the first meeting read by the Clerk.

(See proceedings of meeting of March 5, 1953)

What is your pleasure with regard to these minutes?

Approved.

As was mentioned in the minutes that were just read, a steering committee was appointed to draw up our agenda, and they met yesterday. I would ask the Clerk to read the report of the steering committee.

(See this day's Minutes of Proceedings)

The CHAIRMAN: Are you agreed on this report of the steering committee?

On motion of Mr. Robertson: Agreed.

Mr. CRUICKSHANK: Was there any notice to be sent out to the members about today's meeting? I never got one.

Hon. MEMBERS: We got ours.

The CHAIRMAN: The Clerk will check on the notice that you were supposed to get, Mr. Cruickshank.

Mr. MONTGOMERY: Mr. Chairman, there is just one thing with regard to our meetings. I know the meetings cannot be called just to suit my convenience, but I would like to say that I am also interested in the Criminal Code Committee, as well as being very much interested in this committee. The Criminal Code Committee meet on Tuesday morning from 10.30 to 12.30, and I was just wondering, when considering the timing of our meetings, if it would be possible to consider the meetings of other committees.

The CHAIRMAN: They meet only on Tuesday morning?

Mr. MONTGOMERY: Yes, and on Wednesday afternoon.

The CHAIRMAN: We will be able to arrange that there will be the minimum conflict.

I have received the resignation of Mr. Langlois as vice chairman of this committee, and I believe it is now up to you gentlemen to appoint another vice chairman.

Mr. GOUR: I move that Mr. Dumas be appointed vice chairman.

Agreed.

Mr. DUMAS: I wish to thank committee members for giving me this honour, and I assure you I will endeavour to carry out the duties of the office to the best of my ability.

The CHAIRMAN: There is just one thing, and I think I should deal with this now. Some members at the first meeting asked for certain information. We sent that request over to the Post Office Department and I have here a letter from the Deputy Postmaster General. I am going to read this letter, Mr. Bryce, and see if it will be satisfactory to you and to the committee.

This letter is addressed to myself.

OTTAWA, March 9, 1953.

Chairman,  
Special Committee on Post Office Act,  
House of Commons,  
Ottawa 4, Ontario.  
Dear Sir,

I wish to refer to the motion of Mr. Bryce for certain information for the Special Committee on the Post Office Act.

I may explain that postal statistics are maintained according to postal districts and do not correspond to federal constituencies. Certain statistics based on postal districts have been prepared in anticipation of requests from the committee, and I enclose answers to Mr. Bryce's questions on this basis.

While it is true that information has been furnished Members of Parliament from time to time in regard to their particular constituencies, to provide information for all constituencies along the lines requested by the committee would involve a vast amount of work and using all available staff would take about five weeks irrespective of what other requests are received from the committee.

In the circumstances, perhaps you may wish to have the committee confirm that the information asked for with respect to federal constituencies is still required. We have every desire to facilitate the work of the committee but at the same time, if possible, want to avoid preparing material which involves so much work and, therefore, expense.

Yours truly,

W. J. TURNBULL,  
*Deputy Postmaster General*

Now, Mr. Bryce, I have a lot of information here in respect of what you asked, and I am willing to table this and have it printed in the committee's report if this is satisfactory to you.

(For answers see appendices Nos. 1 to 5 inclusive)

Mr. BRYCE: My original motion did not ask for information by federal districts; it was Mr. Cruickshank who asked for that, and it is he whom you will have to deal with on that. I did not ask for that information originally, as I knew it was set up in postal districts irrespective of electoral districts.

Mr. CRUICKSHANK: If the department has not got that information, I will give them the information with regard to my riding in 10 minutes or less. The number of rural routes in my riding is 28, I think. They say that it will take them five weeks to get that information. Well, I will send my girl over and get it out in seven days.

The CHAIRMAN: He is not refusing information; it is a matter of reconsidering the request.

Mr. CRUICKSHANK: I am interested in my riding.

The CHAIRMAN: There are 262 electoral districts and some of them have 200 to 300 rural routes. The deputy minister said that if there were any



individual requests, he would try and get them for you. I am sure if you want any individual requests you will get the information.

Mr. MONTGOMERY: Some of us already have them. I have a list of the rural routes in my own riding.

Mr. BRYCE: Can we get from that list you just referred to the remuneration that is being paid?

Mr. LANGLOIS: Well, you have all the information asked for—it is given by postal districts instead of electoral districts.

Mr. ASHBOURNE: It is now about four years since Newfoundland joined the Canadian confederation. I would like to have a list of what has been done in Newfoundland as regards the rural routes there.

Mr. LANGLOIS: I would like to understand your request clearly: do you want rural routes or a list of the contracts?

Mr. ASHBOURNE: I would like to have an up to date statement, provided it can be done fairly readily, with regard to the postal matters in Newfoundland since confederation. I do not want to put the department to any extra work, but seeing that we are the latest province to enter confederation, I, within the terms of reference of this committee, would like all information in connection with this matter.

Mr. WARD: You have some routes now, have you not?

Mr. LANGLOIS: I do not know of any rural route in Newfoundland.

Mr. ASHBOURNE: I think around St. John's there are some local routes.

Mr. CARDIFF: What do these lists consist of? Is the information given by counties?

Mr. LANGLOIS: Canada is divided into postal districts, and the information is compiled with regard to these postal districts. I must add that sometimes rural routes go beyond the boundaries of electoral districts.

Mr. CARDIFF: Yes, I understand that part of it.

Mr. BRYCE: And sometimes go beyond the boundaries of provinces.

Mr. MACLEAN: Would you give us an example of some of the postal districts so that we may know what their size is? I presume Prince Edward Island is a postal district by itself?

Mr. LANGLOIS: No, it is a part of the Saint John, New Brunswick, postal district. In the province of Quebec we have two postal districts, one for the district of Quebec and one for Montreal.

Mr. BRYCE: How far west does the Winnipeg district go?

Mr. LANGLOIS: I am afraid I have not the actual limits of postal districts here.

Mr. MACLEAN: How many districts are there?

Mr. LANGLOIS: There are 17 postal districts in Canada.

Hon. Mr. COTE: Mr. Chairman, I do not know if we will have time this morning to question the officials of the Post Office Department—perhaps the agenda is too charged for that. I myself have only a short statement to make, and if it is agreeable to you I may ask the deputy minister and the chief executive to be here, that is, if you intend to sit till one o'clock. These officials might be able to answer all these questions and it might clear up the matter.

Mr. BRYCE: I do not want to sit till one o'clock today. I have another engagement that I made before this committee was scheduled.

Hon. Mr. COTE: What I had in mind was that after the statement that I will give I could ask that the officials of the department come over here now so as to be ready, if you care to question them.

Mr. BRYCE: As far as I am concerned, leave it till the next day.

Mr. McCULLOCH: I think we better have them over now. We will be sitting here till one o'clock, anyway.

The CHAIRMAN: The minister has a short statement. He may only take 15 minutes to read it. Do you think we had better get somebody over to go on for half an hour?

Mr. CRUICKSHANK: Why don't we go ahead with what we have before us now?

Mr. WARD: Mr. Chairman, I think we ought to get along with this work before us as fast as we can.

Mr. ROBERTSON: I move that we ask the officials to come over now.

The CHAIRMAN: Yes, and if there is not time it will be no trouble anyway. Have you all got copies of bill 107?

Mr. DINSDALE: Is it possible to give us the details of the postal set-up in the rural parts of the ridings?

The CHAIRMAN: Individually I think it would be impossible. However, the minister will make a statement and give some direction on this Bill 107. Copies of his statement will be passed around to all the members prior to his reading it.

Hon. Mr. COTE: Well, Mr. Chairman and gentlemen, I am very glad to have this opportunity of making a statement to this Committee in regard to this very complex question of payment to rural mail contractors. I need not stress the importance which has been attached to it both inside the House and in the country generally.

There has been much criticism of the rates paid. The situation has been attributed to many different reasons. I do not think it is necessary to go into the question as to what the correct reasons are. The main problem is to bring about a justifiable measure of improvement, and I am confident that the deliberations of this Committee will result in a plan which will be fair to the contractor, to the Department, and to individual members of the public, who, in the last analysis, have to foot the bill.

I think you will agree that the crux of the situation is the fact that in many cases tenderers have submitted prices which are too low. Possibly this may have been done in some cases in ignorance of the actual work which the service involved, or it may be that the contractors were most desirous of obtaining the contract, no matter what the price. In other cases, conditions may have changed considerably since the contract was entered into. The fact remains that, once the tenders were received and accepted, there is no legal provision by which the Department could make financial adjustments in all cases.

I think it is generally admitted that the tender and contract system is the most logical and practical way of obtaining prices for the performance of Rural Mail Services. The varying conditions of the routes, topography of the country, state of roads, volume of mails, frequency of service, and other factors, rule out other methods. Each service has an individuality.

The weakness is not in the tender and contract system itself but in the rigidity of the system.

The Bill at present before you is a sincere attempt to rectify this condition. It retains the tender and contract principle, but provides for adjustments under certain reasonable safeguards. This was the conclusion reached by my colleagues and myself after a serious and lengthy study of this whole problem.



In effect, it is a measure to protect contractors against themselves, as they in the first instance determine the rates paid for the various services; an attempt to overcome or at least minimize the existing rigidity.

I am sure you will recollect that for a period of two or three years from 1947 to 1949 we had the advantage of the Supplemental Payments Act. This in itself was a step to temporarily remove some of the hardships of the tender and contract system during the period of reconstruction immediately after the war. From the information I have been able to obtain, and from my own personal observations, the measure served a very useful purpose. It alleviated a distress in many cases and enabled good and faithful couriers to carry on—which they would have been unable to do had there been no provision for adjustments.

Remedial action has already been taken in the case of contracts which do not exceed \$1,000 a year. There is not the same rigidity under existing legislation but it is in cases where the contract exceeds \$1,000 that the difficulty is mainly encountered.

While I do not wish in any way to unduly influence your decisions, as I am sure every one of you has given this matter very careful study, I am sure that you will find that the proposed Bill, without violating the accepted principles of the tender and contract system, does provide a way to grant a reasonable measure of adjustment to those contractors who, having given good and faithful service, are unable to carry on at the existing rates.

You will notice that certain safeguards are incorporated in the Bill. Adjustments can only be made after one year of the date of the contract to those contracts or renewals which are in effect at the time the Bill is passed, and after a period of two years in the case of those contracts which are entered into after the Bill becomes law. This will protect the tenderers who initially put in a fair price against those who would otherwise have put in a low price to freeze out others, counting on a financial adjustment once they had secured the contract. In other words, a contractor would be required to carry on for a reasonable period before being eligible for any financial adjustment.

As I have already indicated, I do not wish to in any way impose my views upon the Committee but nevertheless I do think it proper that I should give you some idea of the conditions which were in our minds when we put forward the suggested amendments.

The first consideration has to do with the rates of payment and in this connection we have provided that an adjustment may be made so long as the increased amount does not exceed the amount *generally paid for comparable services in the same area.*

To obtain information regarding rates in the area, we shall have recourse to the schedules which are published by the Department of Labour for similar services and to information obtained by our Inspectors, Postmasters and other field officers. We shall endeavour to see that as far as practical the rates paid bear a proper relation to rates paid in other comparable endeavours. In other words, our decisions will be in accord with the policy of the Government to pay fair wages.

The rates paid will also reasonably reflect such considerations as climate, terrain, and road conditions, as may apply to the individual service.

The forms of advertisement which we should use could indicate the type of vehicle required and consideration would be given to the number of boxes served on the route. Provision would be made so that if the number of boxes on any particular route increased appreciably over the number of boxes which were to be served at the time the service was contracted for, then a suitable allowance would be made.

Likewise, in determining the time which would be required for the performance of the service, standards would be developed which would be fair both to the contractor and to the Department, and which would be determined by Post Office officials conversant with the local conditions and the service requirements of the route.

I am not saying that the principles embodied in the Bill constitute the only solution but I do think—and this view is shared by the experienced officers of the Department—that it is the most practical one.

There is one point that I would like to stress and that is that whatever action is taken to remedy the present situation it must rest on a proper legal foundation. To endeavour to obtain an improvement by modifications to regulations which might conceivably remedy individual cases is not attacking the root of the problem. Such modifications would only create exceptions to the established practice which could easily develop to the point where the desirable uniformity in connection with the operation of rural routes and the payment therefor would be destroyed.

In conclusion may I again say how much I appreciate this opportunity of informing you of the features which influenced our approach to this subject. I think it reasonable that you should have this information before you, not to influence your views but to help you in arriving at a practical solution to a practical problem.

No doubt there will be certain questions you will wish to ask the officials of the Department. They are at your service with such data and information as they are able to provide.

As I told you before, the Deputy Minister is here and with other officials of the department he will be glad to give you all the information you might deem necessary to ask for. And as I said at the beginning of this statement I do not know if you are going to sit until a later hour, but I see Mr. Turnbull, my Deputy Minister, has just come in. He is now at your disposal to answer any questions you may want to ask him.

The CHAIRMAN: The meeting is now open for you to ask any questions you wish.

Mr. FAIR: Mr. Chairman, before going into the questions, I want to thank the Minister for the statement he has made. I think if we can co-operate with him to the end we will have a better courier service and a better satisfied service.

Hon. Mr. COTE: Thank you, Mr. Fair.

The CHAIRMAN: Does anybody want to say anything or to ask any questions?

Mr. COYLE: Mr. Chairman, I have a request. Some of my rural routes have very small boxes. Those boxes have been there for a good many years. I wonder if they could be adjusted, because they certainly do not hold all the mail. They are not large enough.

Hon. Mr. COTE: Perhaps I should make a distinction here. We are proceeding with the bill now. I think that is the proper thing to do. After discussion on the bill is finished, then, within the terms of reference to the committee you will have an opportunity to have a general discussion about rural problems generally.

Mr. CRUICKSHANK: The bill only covers those under \$1,000, does it not?

The CHAIRMAN: Oh no.

Hon. Mr. COTE: What was the question?

Mr. CRUICKSHANK: The bill covers only those under \$1,000.

Hon. Mr. COTE: No.

Mr. CRUICKSHANK: What is the provision then? It is not clear to me.

Hon. Mr. COTE: This bill contemplates the possibility of readjusting postal contracts except those mentioned in section 29, and that means not only contracts under \$1,000 but contracts over \$1,000.

Mr. MACLEAN: Has any consideration been given to having the remuneration of rural mail couriers made up of two factors, first, his travelling expenses, and second, his actual wages? I think in other departments of the government there are officials who are required to travel very considerably. For example, in the Department of Veterans Affairs they are allowed a travelling allowance and their ordinary wages are fixed. Their travelling allowance is on a mileage basis usually. Now, it seems to me possibly there might be some merit in looking at the problem in that light, to see if some way could be arrived at to determine what would be a reasonable travelling expense for the courier on a route which was 20 or 40 miles, and having regard to the actual service which would follow; and it seems to me that the time it would take to run that route, and the number of boxes served, and the time of day when the mail would have to be delivered should be the subject for tender.

Hon. Mr. COTE: It might be proper, if it is agreeable to the committee, to have a general statement at this time from the Deputy Minister.

Mr. MACLEAN: Yes.

Hon. Mr. COTE: I suggest that the Deputy Minister tell you how the department is administered; how many directors there are, and who is who in looking after these problems. Then, following his statement, it may be that you would like to ask questions of those who are properly interested or, shall I say, directly interested in the proposed legislation under study.

Mr. WARD: That question was ruled out by a continuation of the tender system. There is a principle there.

Hon. Mr. COTE: Before the Deputy Minister makes his statement I would like to say that in readjusting contracts we will consider the length of the route, the number of boxes, the type of vehicle, and all those considerations which have been mentioned by Mr. MacLean.

Mr. BRYCE: When Mr. Turnbull speaks, will he deal with, and give us a good idea of what are the 17 postal districts in Canada?

**Mr. Walter J. Turnbull, Deputy Postmaster General, called:**

*By Mr. Bryce:*

Q. It might come out in your statement?—A. Yes. But I have no prepared statement of any kind. The Post Office officials are here and in readiness to answer any question and provide any data and give any assistance they can. But we did not think you would expect us to come here and make any lengthy statement or speeches because that might seem to suggest that we were trying to sell you something. We are not trying to sell you something. What we are doing is to try to find a solution. It might be useful background, however, as the minister has said, for you to know how the department is set up and the organization of it, without going into too great detail.

The department is divided along functional lines into four main branches. One branch is called the Operations Branch. That name is not too clear, but in practical terms it means mail handling, that is, all the mail in the Post Office; the appointment of postmasters and whatever appertains to the handling of the mail, and the personnel, and the equipment necessary.



The next branch—and I am not mentioning these in order of importance—but the next one with which you will likely be concerned is the Communications Branch. We perhaps should call it the transportation branch. It has to do with all movement of mail between post offices. In other words, taking it away from one post office and delivering it to another post office located somewhere else.

This branch—the one with which you will have most to do—the transportation branch, deals with all contract services, the movement of mail by railroad, steamship, planes, rural contractors, and including those who take the mail from the stations.

The Transportation Branch, in turn, is divided into three main divisions: land mail, which I think is self-explanatory; air mail, which I think is also self-explanatory; and the third has to do with railway mail, and includes steamships because steamships are merely another form of rail transportation.

The other two branches are the Financial Branch or the financial services branch, and I think that is self-explanatory. That has to do with all accounting, money orders, postal notes, savings banks, and so on; and the final branch is the Administration Branch; and that is a sort of hodge-podge of all those unallotted functions including inspection—and dare I say publicity? Perhaps public relations is a better term; training, and so on.

The communications or transportation branch will be the one with which you will be directly concerned; and of that branch, land mail services in particular. The Director of that branch is Mr. George Boyle. He replaced Mr. Herring. And with him is Mr. Leclerc. So I would think that, subject to your desire, Mr. Boyle is the person you would want to talk to, and Mr. Leclerc.

When this bill was considered, or the proposal to recommend action, we did turn over a lot of the work to a group of departmental officials so that they could think of it; and that group includes practically all of them; Mr. Underwood, the Chief Executive Officer; Mr. MacNabb, the operations man, who has a word to say on how the mail moves to the post offices. And if you want to add to your list, you might take Mr. Underwood and Mr. MacNabb, who would be helpful, as well as Messrs. Boyle and Leclerc.

I am most indiscreet, as the minister knows, and I do not hesitate to tackle a question you might not even want answered. The only reason I would hesitate to answer would be because I think the committee is anxious to get on with its work and do something for these men. I feel the committee does not want to be led into by-paths. I do not want to go up those by-paths at all, but we have nothing to conceal. I see that I have brought with me the wrong book this morning, so if you ask me really serious questions I shall have to stall. I remember on one occasion in the House of Commons, when I was a secretary in the Prime Minister's office, the Prime Minister started a lengthy speech and discovered that a page of it was missing. We all tore out to look for that missing page. Now I know how he must have felt. Whereas he was missing only one page, I find myself missing the whole book.

Perhaps you might like to take up again the idea about paying expenses and so on. You see, the thing becomes terribly complex. In the case of travelling officers, they usually make use of existing methods of transportation. And where conditions and roads are well known, we can clearly check on what they may claim. But in the case of rural contractors, there are varied conditions which determine the number of boxes and the routes, and whether or not he takes a long or a short time, or whether he does it as part of some other business. There are so many different factors in it, that it is very much like permutations and combinations. How many ways can you arrange 26 things, taking 3 at a time? There are literally thousands of potential combinations. And while I personally would welcome something along the lines you suggest,

but it would not work out at the present time, although if it was accepted it could perhaps work out, say, in another two or three years, but I do not think this bill would detract from it.

The CHAIRMAN: What do you wish to do? Do you wish to go on and discuss it with these three gentlemen, or have Mr. Leclerc and Mr. Boyle give evidence?

Mr. WARD: Would it not be better for us to devote our thought to this bill which is before us? Are we prepared to accept this bill? Personally, I think it is a long step in the right direction.

Mr. BRYCE: Did you say long or wrong?

Mr. WARD: I said "a long step in the right direction".

Hon. Mr. COTE: That is a Scotch question on an Irish day.

Mr. WARD: I think that Scotty has had a blank this morning and thinks he is an Irishman.

Mr. BRYCE: I do not think anyone would believe it.

*By Mr. Cruickshank:*

Q. May I ask if any contract changes are being made, or will it be held over to the end of this discussion? The reason I ask is that I got a letter from the Post Office Department this morning advising that they are completely changing the system in my riding. They are completely changing the system whereby mail is delivered to the various post offices. Surely, when that very subject is being discussed, as to what is the best system to adopt in this connection, why does the postal department inform me this morning that they are completely changing the system of mail delivery to the various post offices?—A. As I understand it, it is intended merely to provide for some relief, and a continuing form of relief. It does not affect the method of doing the work. It was not intended, as I see it, to change the system of mail handling. Those problems of how to deliver mail still exist. I do not think we can very well—hold up everything that relates to mail just on the ground that we are going to change the method of paying the men—I doubt if that is warranted. I think this question of a rearrangement of services has nothing to do with it, whether a man gets \$1,500 or \$2,000, and the bill will not change that one whit, even if the bill was passed tomorrow, and we feel that we should go on. This is not a reflection on parliament, but we have seen too much legislation come up and then something happens and it drops, and nothing is done in the meantime. We are stalling around and not going ahead with services and get rapped over the knuckles. This is only to bring relief to couriers.

Q. Supposing that a man submits a tender of \$100 a month for taking mail from the train to the post office, and vice versa?—A. I should perhaps have given a definition of terms which keep cropping up in post office terminology. There are three names for services: one is called a side service, one a stage service, and another is called rural mail. Side service is used to indicate the conveyance of mail from a railway station to a post office, or from some other point where it would be left—it could be from a bus stop or a dock. A stage service is a service that travels between post offices, dropping off mail at intermediate post offices en route. The rural service is the delivery to individuals by means of boxes outside their homes.

Q. What I am trying to get at, Mr. Chairman, is to do something for rural couriers, and I just want to be clear in my mind that we are taking into consideration the interest of the individuals concerned. I will put it another way. It affects us in British Columbia—and I am not speaking particularly of my own riding—in many cases. A man tenders on a rural route and he bases his tender on the fact that he is also going to tender for the contract of taking the mail from the station to the post office. In other words, if he is going to

invest, say, \$2,000 in a car and equipment, he figures his tender to include both these contracts, the rural deliveries and the carrying of the mail from the train to the post office. I think in British Columbia the man who tenders on the rural route also tenders on carrying the mail from the train to the post office, and from the post office to the train. Now, if we are going to abolish all these contracts for carrying the mail between the station and the post office it certainly is bound to have an effect on the rural carrier.—A. This bill is not confined simply to the contracts of the rural courier, it will also include the side services as well. It is not difficult to determine the physical conditions of the route from the train to the post office; the distance does not change very often, but the rural route does change by the fact of new people moving in, and I am speaking in general terms now. Usually routes from trains to post offices are well maintained.

Q. I am now not speaking for my own riding, but I am speaking for the riding of New Westminster. I would say that 80 per cent of the rural carriers also have the contract to take the mail between the train and the post office. Now you propose to wipe that out entirely according to a letter which I received today. For instance, this man tendered a year ago on a rural route, the price of his tender being \$2,000. He figures his tender for the rural route at \$2,000 because he presumed he was going to get the other contract for carrying the mail between the station and the post office for \$500. Now, if you are going to wipe that out entirely, it certainly will affect that rural carrier.

Mr. CARDIFF: I do not think Mr. Cruickshank has read the bill properly. There is nothing in this bill to do away with the carrier from the railway station to the post office, and as far as Ontario is concerned I do not see there is one at all who carries the rural mail who has anything to do with carrying it from the post office to the train.

*By Mr. Cruickshank:*

Q. It certainly refers in the Act to railway, or bus line, or air line. I do not care what they do in Ontario, but I do care what they do in British Columbia. I got this letter giving me this information.—A. It is just one service you are referring to, Mr. Cruickshank? In other words, the mail from Vancouver is going to be delivered in the entire riding of the Fraser Valley by bus or truck from Vancouver, and from Chilliwack to Hope.

Q. There is more population in Chilliwack than there is in some Ontario counties.—A. I will look up that particular case. You contend that we are changing the conditions of the contract without at the same time having provided a measure of relief under that contract, and that as a result of that change the carrier or courier is affected. I see your point. We will look up the case in that light, and I do not think you want to go ahead with it if we look it up in that light?

Mr. MONTGOMERY: Mr. Chairman, I would like to ask the witness, has it been the practice to call for tenders at the expiration of the time set in the tender, or has it been the practice to let the contractor carry on?

The WITNESS: It generally has been the practice to carry on, provided that the service has been satisfactory and the price satisfactory. If the service is satisfactory and the price is satisfactory, it usually has been the policy to continue it, but in many cases the contractor himself wants more money and the only way to give him more money under the present system is for him to put his contract in jeopardy. He has to toss that contract on the table and hope when it rolls around it will fall into his lap again at the new price.

Mr. LANGLOIS: This is done in virtue of section 31 of the Postal Act, which reads:

No contract shall be entered into for the conveyance of mail for a term of more than four years, but the Postmaster General may renew a



contract with the original contractor for a further term or terms not exceeding four years each if the service has been satisfactorily performed under an expiring contract and the public interest would be served by a renewal thereof.

Mr. MONTGOMERY: I understand that. There are one or two things in this Act which, it seems to me, I cannot agree with. It is all very well to say "may work". It may work all right, but this amendment is coming into force and it seems to me that once a contract expires, after this comes into force, it should be open for tender. I do not think that his contract should be interfered with by increasing the amount after that contract has been let, at the end of one year or two years, unless there is an increase in the cost of living index which would justify such a change. I can understand the case of a man who has had a contract for a number of years and has had it renewed three or four times, and that man is working at a remuneration far less than he should, but I do not feel that this Act should give the Postmaster General and his staff the right to set a new price on an expiring contract. I think that contract should be thrown open.

Mr. LANGLOIS: He can renew it only on the terms of the contract that expires, we cannot increase it at the time of renewal.

Mr. MONTGOMERY: He will be able to under this new suggestion.

The WITNESS: He will have to wait possibly two years. I had better stop talking. I find myself talking about principles and I should be here to answer questions.

Mr. MONTGOMERY: The principle involved is, once a contract is set up, under this new Act—provided it becomes law—if I am a rural mail carrier and I have been getting my contract renewed for a number of years, but I am not getting enough remuneration, and if I have influence with the government, I can get my contract renewed after two years, and maybe get a large increase and be receiving a sum much more than some of the neighbours would be willing to carry that mail for. This is going to depend on certain people in the community. It is all very well to say that it will depend upon the decisions of the postmaster and other people who are familiar with conditions. Well, that may work and it may not. I mean, it has some features which are not desirable.

Hon. Mr. COTE: There is no obligation, if I may point out, on either the contractor or the postmaster-general. It is a question of readjustment and what we have in mind is to readjust as objectively as possible. I do not know if your fear might be that a man would be getting too much money. If that is the case, you do not have to fear because we are going to base our judgment on objective information we receive from our officers in the field and from the schedules, which will be looked into and which are prepared by the Department of Labour. There is no automatic decision there at all. There is nothing in the law, in the Postal Act, which is changed, except the possibility of readjustment based objectively. If you agree with the way we are going to readjust, well, it is up to you to decide. It cannot be black and white at the same time. There are some who actually suffer. The only thing we are trying to do is to help them, and how are we going to help them? We are going to base our help on objective information. We are trying to protect both the contractor and the taxpayer, but we feel that it is only fair that the contractor be paid adequately.

Mr. CARDIFF: I do not think the department has any right to renew a contract without the contractor first having obtained a petition signed by at least a majority of box holders. I know of a certain place where a contract was relet by the department without tender and it was not too satisfactory

because of the fact that there were some on that route who had a grievance with the courier. I think that in all cases the post office should have a petition signed by so many box holders on his route, say, by 60 per cent or some stated number, before he can get a renewal even at the same price.

Mr. WARD: Mr. Cardiff, if that contract had been unsatisfactory in any respect, don't you suppose that the department would have heard about it?

Mr. CARDIFF: Not in all cases.

Hon. Mr. COTE: Suppose that a man is already well paid and a petition was signed by the people you just mentioned, do you think that we should automatically call for tenders?

Mr. CARDIFF: I do not think you should, unless he has a petition signed. Put it up for tender.

Hon. Mr. COTE: You are talking about a renewal?

Mr. CARDIFF: Yes, you should not grant a renewal unless you have this petition.

The WITNESS: Are you going to have 11,000 miniature by-elections?

The CHAIRMAN: I had one route in my riding on which 10 protests came to me and I, therefore, had the route put up for tender. The contractor went around and got a petition signed, and every one of those who protested in the first case had their names on that petition. Ten different box holders came to me and said, "Get rid of that man", yet they all signed his petition.

Mr. LANGLOIS: We have an average of about 250 renewals a month.

Mr. CARDIFF: That would not affect the post office.

Mr. LANGLOIS: The post office would have to check all the signatures. We would have to have officers travelling the country to check those signatures.

Hon. Mr. COTE: In some cases some persons sign both petitions.

Mr. LANGLOIS: One for and one against.

Mr. MACLEAN: 'Mr. Chairman, I think possibly one of the queries in people's minds is this: I think some people feel that when a contract is renewed without tenders being called, that there might possibly be some disagreement or some lack of satisfaction with that situation, but I think, generally speaking, that is accepted. But now you have another element coming into it, as I see it. If this bill becomes law, you may have this condition where a courier obtains a contract by tender, and after he has had it for two years it is upgraded to an amount which may be perfectly fair but which is higher than the amounts tendered by competing contractors, that is to say, his competing tenderers on the original contract, and their figures may be well below that which the courier is going to get, and it is felt perhaps at the expiration of a contract which has been upgraded that there should always be a contract let through the calling of new tenders. Now, I think that is a possibility, that some people might feel there is injustice there. There may not be, and I know the intention is to prevent it, but perhaps as a sort of safety measure it might be well, in the case of contracts that have been upgraded, that at their expiration tenders should be called for again.

Mr. MONTGOMERY: That has been the point I was trying to get at.

Hon. Mr. COTE: The law will be the same on that point, because the department always makes sure that the service is proper, and that it is in the public interest. Our inspectors in the field check to see if the service is good and if there is satisfactory service given to the public, the contract is then renewed.

Mr. MACLEAN: Supposing a tender is let for \$2,000 a year, for the sake of argument. After it is in force for two years it is upgraded to, say, \$3,000

—it would not probably be upgraded that much, but let us say it is for the sake of argument. Now, in the original case there were perhaps two other men whose tenders were for \$2,500, and they feel that they could still give a comparable service for \$2,500, but they do not get the opportunity because the contract is extended.

Hon. Mr. COTE: There is an answer to that, and it is contained in the many complaints we receive. We want to avoid jeopardizing those who have put up money to buy cars and to furnish a service and who, at the end of the contract, if they knew that they would not go on with that contract, would not have gone to such expenses. That is called the security of contract. You cannot have it both ways.

Mr. MACLEAN: I realize that.

Hon. Mr. COTE: It is a very complicated question. Two of the main complaints made were first, that the contractor was being under-paid and second that he lacked security of contractor employment. What we are trying to do here is to give fair remuneration to the contractor, and to a certain extent, assure the security of the contractor who has gone to a lot of expense in order to give good service to the public. This has been repeated many times on the floor of the House.

Mr. LANGLOIS: It has even been suggested that we give preference to the former contractor, and give him the opportunity to take the contract at the price of the lower tender. That has been suggested on the floor of the House in order to give present contractors security of contract or employment.

Mr. MACLEAN: I realize all that and I agree with you. I am just looking for information. People might feel that the competing tenderer in the first case might feel discriminated against if the amendment was greater than the original contract now being paid in actual fact under the contract and they did not have to re-tender at the end of four years.

Mr. MONTGOMERY: Actually, what you are going to do is to do away with the tender system in practice.

Mr. MACLEAN: In some cases.

Hon. Mr. COTE: What we have in mind is to get a happy medium. If we go to the extreme left, we are not right, or if we go to the extreme right, we are still not right. We are trying to choose a happy medium.

Mr. GOUR: Mr. Chairman, in my own riding there are ten contractors. Every six or seven years they put in tenders. Heretofore they just called on them to get rid of that contractor. I do not know how it is in this case. In some rural ridings you have a contractor, and there is always someone who likes to put in a tender, and he would be refused the contract. But if there is a change of contractors, you will have to raise your prices in my riding, and to pay more. The rural mail in my riding is, in some places, costing 50 per cent more than it was before, but you are always calling for new tenders.

I understand this regulation is the best way it can be done. We do not want to have our people working absolutely for nothing. When you have sat here for a few years you will find that there are always two or three people and one is not as good as the other one, or the other one wants to step into the picture. And in many cases they find that they have lost money two or three months afterwards. If somebody is not satisfied with how the man is carrying the mail, he can write to the department and the department will get his letter and make an investigation. Anyone who is not satisfied with the carriage of mail can write a letter to the department and the department will know. You have your inspectors and you send them out to investigate. If



the complaint is true, you will not renew the contract. You are not going to give it to him. That is the only way to do it, I think. If you want to be fair, or reasonably fair with the contractor, that is the only way you can do it. Now, after you check up, if there is an increase in price or more mail or more boxes, you will raise the price to keep them on for a year, because they are all anxious to put in a tender. Yet, two months afterwards they will want to get rid of it.

I have checked with rural mail couriers year by year. I have a lot of them in my riding, and it happens like this. They are all anxious to put in a tender, but two months afterwards they want to get rid of it and you will be calling for tenders in the same places, such as Billing Bridge, Russell, Overbrook, and Greely which are in my riding. They have raised it over 50 per cent in four years by asking for tenders. That is the way I see it.

The CHAIRMAN: Now, Mr. MacKenzie.

Mr. MACKENZIE: Mr. Chairman, as I understand it, the Rural Mail Couriers Association request that we get away from the tender system if possible because it has not worked out too satisfactorily at best. I think the members who are so apprehensive of some adjustments being made fear that they are going to be too low. But if they will look over the supplementary payments from 1947 to 1948, they will find that the adjustments which were made were quite satisfactory and that nobody was cut too much. I know in my own experience they were pretty tough babies, but the adjustments were arranged in the majority of cases, so I think any apprehension you have about the adjustments that could be made or which might make it hard for some people because they might be your friends, are purely unwarranted, and that if you will look at the records in the past, you will see that what I have said is the case.

There is something else which I want to get clear in my mind with respect to this statement of the Postmaster General. On page 3 he says:

Adjustments can only be made after one year of the date of the contract to those contracts or renewals which are in effect at the time the Bill is passed, and after a period of two years . . ."

If I understand that correctly, on any renewal that is made now, if as and when this bill becomes law, you cannot get an adjustment until after one year; and after a new contract is entered into, and after this bill becomes effective, it is two years. Is that correct?

Hon. Mr. COTE: Yes. We wanted to be fair to those who, knowing that something had to be done, and having heard what was said at the last session, renewed their contracts. It would not be fair to do it any other way. Those who have already renewed their contracts or who will renew them before the bill is passed at the same conditions will be entitled to the privilege of having their contracts considered for readjustment after one year. But those who are entering into a contract by tender, after this bill is passed, will have to wait for two years. It was only a safeguard.

Mr. MACKENZIE: That is all right.

Hon. Mr. COTE: We studied it for a long time and we could not find any other way to do it.

Mr. McCULLOCH: Do you mean to say that a man who had a contract for the last ten or twelve years and renewed it would have to wait for a year?

Hon. Mr. COTE: No. We consider it one year after the original contract was entered into.

Mr. CRUICKSHANK: What do you suggest in place of it?

Mr. MONTGOMERY: You were looking at me when you asked that question, Mr. Cruickshank, and my suggestion is this: I want to say to the hon. gentlemen

who said "let us get adjustments," that there were some in my constituency who apparently did not get adjustments, and they are very much handicapped.

Hon. Mr. COTE: Did they ask for it?

Mr. MONTGOMERY: I do not think they had the information about it.

Hon. Mr. COTE: They will know about it when this bill is passed.

Mr. MONTGOMERY: Yes, but they did not get it. Apparently it was not sent out to them.

Mr. CRUICKSHANK: What do you suggest in place of the bill?

Mr. MONTGOMERY: I think the tender system would be practically done away with and put on the shelf. I feel that in practice this is going to put the tender system on the shelf.

Hon. Mr. COTE: We retain the tender system; this is exactly why the bill was put in this form. The law is not changed at all except that we are given the power to do for contracts over \$1,000 what we were doing for contracts under \$1,000.

Mr. MONTGOMERY: I understand that. I think they were getting very poorly paid, and I think that was right. But once this comes into force people will have their contracts adjusted to a fair level, once that has been done. I can see your point about security to the contractor. Nevertheless, I think Mr. MacLean has pointed out a very practical situation. A man may continue with his contract. Now, had a higher contract been accepted he would not have asked for any adjustment; but will he not feel a lot of dissatisfaction?

Mr. LANGLOIS: He would have to wait for two years for the first adjustment; and after the first adjustment is given, he will have to wait for four years.

Mr. MONTGOMERY: You do not have to open that contract for tender, do you?

Mr. LANGLOIS: No.

Hon. Mr. COTE: Provided he gives good service.

Mr. CRUICKSHANK: Do not think that I am being critical, but as it is now, the minister has the authority, subject to the Treasury Board, to renew up to \$1,000, every two years?

Mr. LANGLOIS: It is not subject to the Treasury Board.

Mr. CRUICKSHANK: All right, I am not being critical. But what do you suggest would be a better system? I see your point about the man who has tendered, I think Mr. MacLean said, \$2,300; but what do you suggest? I concede that part, but the man will be handicapped. What do you suggest as an alternative?

Mr. MONTGOMERY: I suggest that at the end of each contract there should be a tender opened.

Mr. ROBERTSON: You are destroying the whole purpose of the bill, then.

Mr. CRUICKSHANK: Suppose a man has spent 25 years with one contract?

Hon. Mr. COTE: This would mean another amendment to the act, because we have the power to renew any contract provided of course the service is satisfactory. To summarize, let me say this: I think this will probably clarify the situation. There is only one readjustment by contract of four years; at the end of four years as the law is now, there may be an opening for tenders, or there may be a renewal, and this is considered by the officials of the department, if good service is given. You see, there is security to the public as well as security to the contractors. We try to balance them.

Mr. MONTGOMERY: I am not against the Act, but I want to bring up this point: I can see that it looks as if it is quite possible to put the tender system

on the shelf. Let me ask this question to clarify the matter. Suppose a mail driver is not giving good service. How are you going to get a tender open?

Mr. LANGLOIS: We have the right to cancel the contract.

Mr. COYLE: Whether or not it has run for four years.

Mr. LANGLOIS: Upon three months notice.

Mr. WARD: In the light of the fluctuating economy with which we have had experience in recent years, I think it would be good thinking on the part of the department to bring forward this legislation. All we have to do is to look at what has happened in the trade unions. About once a year at least they go on strike or do something to get an increase in pay. Why? Because of the fluctuations in our economy.

Coming back to some of the things which have been said, I have forty miles of routes or contracts in my constituency and I am sure that about three or four times a year I have those chaps coming in to see me. They will say: "We are going to tender on a contract", and I will quarrel with them and say: "You are tendering too low." I know that, and I know those roads out there. You may think you have got it fixed and cured, but they will tender at a price which will save their economy and they will go out and tender at several hundred dollars less, and they will then come back and inquire of me and say: "What can I do about it?" and I say to them: "You have gone and burnt your bridges. Go out and do the job or resign." I think this bill will short circuit a lot of that trouble across the country in the days which lie ahead. I do not see very much point to the discussion here this morning. Let us put it into effect and try it out.

Mr. CARDIFF: That has been the whole difficulty. There is nothing wrong with the contract system, but with the contractors themselves.

Hon. Mr. COTE: That is it.

Mr. CARDIFF: They tender too low and then it is not very long before they find that they cannot carry on at that price, and we are the goats. I have a letter which came only this morning. I shall let the deputy minister read it. They get these contracts simply to beat somebody out of the job. And when they get them, they find their costs to run a car are more than they figured, and they want more money. I wonder if there could be some way of having a minimum price per mile below which they could not go?

Mr. ROBERTSON: Everybody might tender at that rate, though.

Mr. CARDIFF: That would not apply all over the country. I live in a snow belt, and you could not carry mail there as cheaply as you could in, let us say, Kent, where they have no snow all winter. It is true that we did not have any snow this winter, but periodically we do get into the snow belt. It is worth far more money to draw mail in a place like that, so could there not be a minimum price set per mile on these contracts, and then let them go beyond it? I do not mean to say to give them all it is worth, but I suggest we have a minimum price. Some of them get even below a minimum.

Mr. LANGLOIS: Would you eliminate all tenders below that minimum?

Mr. CARDIFF: No. I would let them go on until they come up for a contract again. If they are kept to a minimum price, let them get above it, but not go below it.

Hon. Mr. COTE: You would eliminate the tender system?

Mr. CARDIFF: Yes.

The CHAIRMAN: That would eliminate the tender system.

Mr. CARDIFF: Yes, it would, but it would help.

Mr. DINSDALE: On that point, Mr. Chairman. A short time ago the minister made the statement that these revisions of contracts will be made on



the basis of objective appraisals. Now, what would be the criteria entering into an objective appraisal? Would that not establish the minimum that Mr. Cardiff is talking about?

Hon. Mr. COTE: What we had in mind on that—and perhaps this will answer Mr. Cardiff's question also—and we also thought of his proposal, but something cannot be black and white at the same time, and we did not think it wise to eliminate the tender principle, but in advertising the contract we would describe the type of vehicle, the length of the route, so that the contractor who would look at the tender called would have first-hand knowledge of what it would cost. To readjust the contract, as I said in the statement, we will get information according to a basic principle, and it might be well to tell you how we have been doing it up to now. For contracts under \$1,000, it was to a certain extent done arbitrarily, because a man would come in to have his contract adjusted—and we would then take prices tendered by three contractors in the same area. For example one would set a figure of \$40 per mile per year, another one would set the figure at \$50, and a third at \$60 per mile per year. Well, we would take the average of the three, and let us say it worked out at \$45 per mile per year. If the contractor seeking the adjustment was getting, say, \$30 per mile per year, we would bring him up to \$45 per mile per year. This was a somewhat arbitrary way of making readjustments and it was not satisfactory, because if a further readjustment become necessary, we had no sound basis to re-adjust. We thought that we could do it in a more objective way this time by getting information from the Department of Labour, our postmasters and other officials in the field and thus obtain what it would cost for a similar service in a similar area per mile per year. We then would be on more solid ground in making fair re-adjustments, and we would pay what is really being paid for a similar service in the same area. That is an outline of what we had in mind. I may say that if any of you gentlemen can think of something better, we are most anxious to learn about it.

Mr. DINSDALE: Under this arrangement, would the lowest tender be accepted and the contract awarded to him?

Hon. Mr. COTE: Yes.

Mr. DINSDALE: Then I can foresee that this might develop into a game of undercutting with the hope of future readjustment.

The WITNESS: They have to wait for two years.

Mr. MONTGOMERY: But by waiting two years they may keep that contract for twenty-five years.

The WITNESS: They have to sweat it out for two years before any adjustment can be made, which is a long time, and after that—you are talking about twenty-five years—they are going to have to wait four years each time before any adjustment can be made, and then they are still going to have to run the scrutiny of the post office officials who have never yet been accused of being Santa Claus—quite the contrary. If I may speak to this for a moment, remember this is not confined solely to rural mail contractors. It also applies to side services. Now, if you fix a flat rate per mile per year, it would be very difficult because that varies all over the country. To a large extent, it depends on route conditions.

Mr. CARDIFF: What I had in mind was, give them a flat rate low enough and carry on from there.

The WITNESS: I was going to come to that. In some of these side services and in some of these stage services, this is done as an adjunct to other services. For instance, I live in Kemptville, and the Colonial Coach Lines provide a stage service to Manotick and North Gower at a lower rate because their buses travel past the door of the post offices en route, and so they are able to tender a low

rate and make money; but if we fixed a mileage rate we would be throwing money into their hands that they did not earn. That is the point. We have looked into this question of a minimum rate and have found out that if you fix it high enough to be a fair rate, then in times of depression you will get a dozen men who will work for \$1 a day if they are hard up, and then you will have to choose from among those twelve, but in the tendering system the successful contractor selects himself. It is not arbitrary, in other words.

Mr. CARDIFF: This system is not perfect, but we have never been able to find a perfect one yet.

Mr. CRUICKSHANK: From the courier's point of view, I would like to submit some information to the committee. This is not applicable in my riding, but it is in the riding of New Westminster, of which Mr. Mott is member. This information is submitted by the couriers themselves. On rural route No. 1 the remuneration is \$2,000. It is six-day week and 40 hours a week. The length of the route is 13.2 miles and there are 346 boxes on the route. The present remuneration is \$2,000. Now they have set a rate, which is \$2,200. They suggest a gasoline allowance of \$220 and a car allowance of \$500 per year, a total increase of \$920. In other words, they are asking for an increase on that particular route of 13.2 miles, 346 boxes, of \$920 per year. Now, this is a schedule prepared by the couriers association, it is not prepared by me.

I have another route which is described as follows: The length of the route is 24.7 miles, and on it there are 292 boxes. The present contract is \$2,126 per year. Now they ask for a gasoline allowance of \$230 per year, a car allowance of \$500 per year, and an increase in the contract to \$2,300. This brings the total remuneration for that route up to \$3,030, about \$800 increase.

It is my duty to bring this up before the committee. It was submitted to me by one of the members for British Columbia, who is not a member of this committee. I do not know how these suggestions will be received, but the couriers association are going to be called before us to explain them.

Hon. Mr. COTE: From what I know, I think there is only one association.

Mr. CRUICKSHANK: This association represents all the couriers of Canada.

Hon. Mr. COTE: This might well be a national organization, but I think that we have heard only from one in Ontario, which is their Ontario branch.

Mr. MONTGOMERY: Yes, there is one in Ontario.

Mr. MACKENZIE: Let me suggest that we are trying to look at this from the courier's standpoint. We have a very active mail couriers' association in Ontario. We should have representatives from that association come here and make their presentations before this committee.

Mr. CRUICKSHANK: I would suggest that they be called in from British Columbia, too. Let us be fair about this. For instance, in my own riding it is not as expensive to operate a mail route as it is in the Cariboo. I do not think it is as expensive to operate a rural mail route in my riding as it is in Saskatchewan, where they have snow to contend with. As I say, let us be fair about this. We bring people here at the government expense on far less important committees than this. We have a provincial couriers' association in British Columbia and you have one in Ontario. Let us bring one man down here if for no other reason than that it is the fair thing to do, and let them put their representations before us.

Mr. WARD: It is now past 12.30 o'clock, Mr. Chairman. There is no possible chance of us, apparently, concluding this bill today at this sitting of the committee. Why not adjourn now and hold another meeting at the call of the chair?

Mr. DUPUIS: I understand that some contractors cancelled their contracts when they found out they tendered too low. Does the Post Office Act not force

these tenderers to abide by the conditions of the contract until the expiration of the contract?

The WITNESS: One year.

Mr. DUPUIS: It binds him for one year?

Mr. LANGLOIS: Actually for a 15-month period. He has to wait one year, and then at the expiration of that time give three months' notice.

Mr. GOUR: One of the members a few minutes ago said that some of the contracts in his riding were not adjusted. In my own riding the mail carriers all applied for more money. They will not all get an increase, but those who deserve it will. If any rural mail carriers applied for an increase and did not get it, I would venture to say they were not entitled to it. Those who were entitled to it received an increase and they got a reasonable amount. After all, the department is not Santa Claus.

Mr. BRYCE: I would like to ask Mr. Turnbull if he could tell us what percentage of rural routes are under \$1,000.

The CHAIRMAN: Will Mr. Boyle be able to answer that better than Mr. Turnbull?

Mr. DUPUIS: Mr. Chairman, there was one question brought up today, on which a definite answer has not yet been given. Suppose a tenderer tenders a price of \$2,500, and another tenderer submits a price of \$2,000. The successful tenderer is the one who bids \$2,000. He gets the contract. Then after awhile there is an adjustment and the contractor gets \$3,000. Don't you think it would be fairer to call new tenders, because in the case that I have mentioned the price has gone beyond \$2,500.

The CHAIRMAN: He might be only betting an increase of \$100 per year. He might not get up to \$2,500 at all. It might just be \$2,100.

Mr. DUPUIS: Irrespective of the amount?

Hon. Mr. COTE: He has to wait two years before any readjustment is done.

Mr. LANGLOIS: And he is not sure of getting it either. It is not automatic.

The CHAIRMAN: Does that answer your question, Mr. Dupuis?

Mr. DUPUIS: Yes, Mr. Chairman. It was just for my own information.

The WITNESS: I would like to answer the question asked by Mr. Bryce. 43 per cent of the rural mail couriers receive a remuneration of \$1,000 or less.

Mr. MACKENZIE: That takes in side services and stage services, too?

The WITNESS: No, this is only rural mail service. 43 percent of the rural mail contracts are under \$1,000, and if you go up to \$1,500, you add another 38·8 per cent. Over 93 per cent of the contracts are under \$2,000, so this is not a great big fat contract that will be run up sky-high. If this figure was put up to \$2,000, you would be covering 93 per cent of them.

Mr. MCCULLOCH: When this increase was put in for \$2,000, it was up to the individual members of parliament to notify the mail carriers in their riding about that change, to let them know that an adjustment could be made by the post office.

Mr. MACKENZIE: Yes, and it was up to the members under the Supplementary Payment Act to notify them. The Act was in effect two whole years and there were many mail carriers who did not know it during that time.

Mr. DINSDALE: Should not the department be responsible for notifying them, rather than the members?

Mr. MACKENZIE: The mail couriers read the papers, don't they?

Mr. DINSDALE: Some do not read much more than the comics and the sports page.



Hon. Mr. COTE: Everybody is presumed to know the law.

Mr. ROBERTSON: I would like to draw the attention of the committee to the statement by the minister, in the middle of page 3, where he says:

The first consideration has to do with the rates of payment and in this connection we have provided that an adjustment may be made so long as the increased amount does not exceed the amount generally paid for comparable services in the same area.

I am particularly interested in what "the same area" means.

Hon. Mr. COTE: The district covered by a schedule of the Department of Labour.

Mr. ROBERTSON: It would probably then refer to a county rather than to some small post office area?

Mr. LANGLOIS: As nearly as possible the rates have to be comparable and we take them in an area as near as possible to the existing contract for which an adjustment is requested.

Mr. ROBERTSON: I can think of a small village in my own riding with two or three rural routes where the rate is very low, and yet only five miles away in a comparable area the rate is much higher. It boils down to the fact that in one area the contractor bid much lower than was bid in the other area.

Mr. LANGLOIS: There is another consideration to be taken into account in this. We are going to compare with existing mail contracts in the area, and also with wage schedules published by the Department of Labour. You will thus have a double check.

Mr. ROBERTSON: In other words, it will include a large area, such as a county, rather than a small area containing one small post office?

The CHAIRMAN: Some members want to get away. Will it be all right if we call another meeting for tomorrow afternoon at four o'clock?

Mr. CRUICKSHANK: Cannot we be told now if we are going to call these couriers to Ottawa?

Mr. MONTGOMERY: What about having a meeting this afternoon?

The CHAIRMAN: No.

Mr. LANGLOIS: Mr. Chairman, may I suggest before the Rural Mail Couriers Association is called, that we make sure what the membership of that association is, in order to assure ourselves that they would be a representative body of men who are interested in this subject. We know of only one association, and according to our information they are not very active and we do not think their membership is too large. If they come here and speak only for themselves, we might as well get representatives from all over the country.

Mr. CARDIFF: If it covered Ontario, surely you would get some idea from them.

Mr. LANGLOIS: Do you know anything about the membership?

Mr. CARDIFF: No.

Mr. CRUICKSHANK: I know that on one occasion the British Columbia people delegated someone to represent them.

The CHAIRMAN: Have they done it in this case?

Mr. CRUICKSHANK: No, not in this case; but even if the government is not prepared, or if this committee is not prepared to recommend their expenses being paid, I think they certainly should be invited to make their representations.

Mr. CARDIFF: I do not think so.

Mr. CRUICKSHANK: I have been a member for 13 years and I know what the government spends for lawyers and other officials. Take the case of the

Wheat Board. They have fellows coming from as far as Brandon. But these are little fellows. 43 per cent of them are under \$1,000. How do you expect a man who is under \$1,000 to send a delegate back here? The Wheat Board draws \$20,000 to \$30,000, yet they get their expenses paid when they come before this committee. Let us be fair about it.

Mr. WARD: Mr. Chairman, I think the members are all pretty well qualified to defend the interests of the mail couriers. I do not think we need any of the other fellows here at all.

Mr. CRUICKSHANK: Well, I do!

Mr. CARDIFF: After the thing is all settled, you may get a lot of complaints?

Mr. ROBERTSON: Why not let the steering committee settle it and report back?

Mr. CARDIFF: You may get a lot of complaints coming back saying: "Why did you not call us in?"

Mr. LANGLOIS: I think the views of the Association were very well and clearly expressed in a letter which was sent last fall; if I remember correctly, it was sent to every Member of Parliament. We all got one. I know I got mine, anyway. It was signed by a Mr. Webster and their views were very clearly expressed in that letter.

Mr. CRUICKSHANK: I move that the provincial association of rural couriers be invited to send a representative before this committee.

Mr. CARDIFF: I second the motion.

Mr. ROBERTSON: I move in amendment that this matter be considered by the steering committee who could then report back, and a decision could be taken.

Mr. McCULLOCH: I second the motion.

The CHAIRMAN: There are two motions. It is moved by Mr. Cruickshank and seconded by Mr. Cardiff that the provincial association of mail couriers be invited to send a representative before the committee; and it is moved in amendment by Mr. Robertson and seconded by Mr. McCulloch that the steering committee consider the question and report back to the main committee. The amendment will come first.

Mr. CARDIFF: Mr. Chairman, there are more members here than there are members of the steering committee and I do not see any reason why it should have to go before the steering committee.

Mr. LANGLOIS: The main committee can always reverse a decision of the steering committee.

Mr. MONTGOMERY: I am quite in favour of this association appearing here, but apparently it is confined to Ontario.

Mr. CARDIFF: No, no. It is not confined to Ontario.

Mr. MONTGOMERY: If there are associations in the maritime provinces, perhaps they would like an opportunity to come as well. But the more you consider the discussion this morning and the pointed questions I have put in the discussion, personally I am quite satisfied with the department and with what is set up in this bill, having in mind the interests, the financial interests, of these rural mail couriers; and I am beginning to come to the opinion that, regardless of who we hear, unless they have got an alternative method, then I think it is very safe. We are leaving the increasing of the remuneration in the hands of very safe people, I cannot help but feel that. You may have the idea that I was opposing it, but I certainly was not. I wanted to get information. I want to see these people get fairly paid; and I believe that unless we can get representatives from all over Canada from these mail couriers, the department will see that they get fairly dealt with, and that maybe hearing one or

two of the associations would not help us. And I would not oppose the over-all set up which the minister has given us, of the department being able to say that within two or three years they would have a very good idea. As far as the Post Office Department is concerned, I do not think you could have a better body, so far as this matter is concerned, and the only question is: I was just wondering if we are not going to shelve the tender system.

Hon. Mr. COTE: We want to keep it.

Mr. MONTGOMERY: The tender system?

Hon. Mr. COTE: Yes. We want to keep it.

The CHAIRMAN: There are two motions. We must vote on them. First there is the amendment by Mr. Robertson, referring it to the steering committee. All those in favour? All those opposed? The amendment is carried. The steering committee will consider the matter and report back.

When shall we meet again? Tomorrow afternoon?

Mr. CARDIFF: Mr. Chairman, I think we should try to meet as often as we can in the middle of the week, because you are going to run into a lot of difficulty on Fridays and probably Mondays.

Mr. BRYCE: I would like to move that we do not sit on Tuesday mornings.

The CHAIRMAN: We shall discuss that.

Mr. LANGLOIS: Friday is a bad day.

The CHAIRMAN: Are you all agreeable then to meeting tomorrow at 4.00 o'clock?

Agreed.

The committee adjourned.



## APPENDIX No. 1

*Question by Mr. Bryce:*

How many rural routes are in each province?

*Answer:*

Postal District	Number of Routes
Vancouver .....	149
Edmonton .....	170
Calgary .....	71
Saskatoon .....	110
Moose Jaw .....	43
Winnipeg .....	152
London .....	721
Stratford (H.P.M.) .....	50
Windsor (H.P.M.) .....	50
Toronto .....	581
North Bay .....	123
Ottawa .....	702
Montreal .....	756
Quebec .....	694
Saint John .....	356
Halifax .....	293
Charlottetown .....	178
Total .....	<hr/> 5199 <hr/>

## APPENDIX No. 2

Question by Mr. Bryce:

How many have (a) daily service; (b) three times per week; (c) twice weekly; (d) once per week?

Answer:

	(a)	(b)	(c)	(d)	*	*
Postal District	6 Trips Per Week	3 Trips Per Week	2 Trips Per Week	1 Trip Per Week	5 Trips Per Week	4 Trips Per Week
Vancouver. . . . .	116	9	11	7	1	5
Edmonton. . . . .	4	46	118	...	2	...
Calgary. . . . .	2	22	47	...	...	...
Saskatoon. . . . .	...	8	101	1	...	...
Moose Jaw. . . . .	...	3	40	...	...	...
Winnipeg. . . . .	18	88	46	...	...	...
London. . . . .	719	2	...	...	...	...
Stratford (H.P.M.)	50	...	...	...	...	...
Windsor (H.P.M.)	50	...	...	...	...	...
Toronto. . . . .	576	5	...	...	...	...
North Bay. . . . .	78	40	4	...	...	1
Ottawa. . . . .	679	23	...	...	...	...
Montreal. . . . .	735	19	1	...	...	1
Quebec. . . . .	654	36	...	...	2	2
Saint John. . . . .	266	83	1	...	...	6
Halifax. . . . .	251	32	4	...	...	6
Charlottetown. . .	178	...	...	...	...	...
Total. . . . .	4,376	416	373	8	5	21

\* Rural routes with other frequencies of service.

## APPENDIX No. 3

*Question by Mr Bryce:*

What is the average rate per mile for each federal constituency?

*Answer:*

Postal District	Average Rate Per Mile Per Annum Based on 6 T.P.W.
Vancouver .....	79·55
Edmonton .....	63·44
Calgary .....	58·24
Saskatoon .....	65·28
Moose Jaw .....	65·85
Winnipeg .....	62·08
London .....	53·59
Stratford (H.P.M.) .....	52·38
Windsor (H.P.M.) .....	67·58
Toronto .....	61·01
North Bay .....	60·03
Ottawa .....	51·89
Montreal .....	55·47
Quebec .....	57·04
Saint John .....	54·78
Halifax .....	59·27
Charlottetown .....	56·50
Canada .....	<hr/> 57·27 <hr/>



## APPENDIX No. 4

*Question by Mr Bryce:*

What is the average number of boxes per route per province?

*Answer:*

Postal District	Average Number of Boxes per Route
Vancouver .....	237
Edmonton .....	60
Calgary .....	57
Saskatoon .....	40
Moose Jaw .....	38
Winnipeg .....	66
London .....	86
Stratford (H.P.M.) .....	91
Windsor (H.P.M.) .....	156
Toronto .....	97
North Bay .....	61
Ottawa .....	64
Montreal .....	71
Quebec .....	65
Saint John .....	57
Halifax .....	64
Charlottetown .....	58
Canada .....	<hr/> 76 <hr/>

## APPENDIX No. 5

*Question by Mr. Cruickshank:*

What number of rural routes per federal constituency?

*Answer:*

Please refer to answer in Appendix No. 1.







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(HOUSE OF COMMONS

Seventh Session—Twenty-first Parliament  
1952-53

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SPECIAL COMMITTEE

ON

BILL 107

An Act to Amend The Post Office Act

*Chairman: R. McCUBBIN, Esq.*

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MINUTES OF PROCEEDINGS AND EVIDENCE

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No. 2

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WEDNESDAY, MARCH 18, 1953

THURSDAY, MARCH 19, 1953

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WITNESSES:

Mr. W. J. Turnbull, Deputy Postmaster General;

Mr. G. Boyle, Director, Communications Branch, Post Office  
Department.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.  
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1953

## ORDER OF REFERENCE

House of Commons,  
WEDNESDAY, March 18, 1953.

*Ordered*, That the name of Mr. Catherwood be substituted for that of Mr. Green on the said committee.

*Attest.*

LEON J. RAYMOND,  
*Clerk of the House.*

## REPORT TO THE HOUSE

THURSDAY, March 19, 1953.

The Special Committee appointed to consider Bill No. 107, An Act to amend the Post Office Act, begs leave to present the following as a

### SECOND REPORT

Your Committee has considered the said Bill and has agreed to report it without amendment.

All of which is respectfully submitted.

ROBERT McCUBBIN,  
*Chairman.*

## MINUTES OF PROCEEDINGS

WEDNESDAY, March 18, 1953.

The Special Committee appointed to consider Bill No. 107, An Act to amend the Post Office Act, met this day at 4.00 o'clock p.m. The Chairman, Mr. Robert McCubbin, presided.

*Members present:* Messrs. Ashbourne, Boucher, Brisson, Bryce, Cardiff, Cardin, Catherwood, Coyle, Cruickshank, Dumas, Fair, Garland, Langlois (Gaspé), MacKenzie, MacLean (Queens), McCubbin, McCulloch, McWilliam, Robertson, Spence and Welbourn.

*In attendance:* Hon. Alcide Côté, Postmaster General; and Mr. W. J. Turnbull, Deputy Postmaster General; Mr. G. Boyle, Director, Communications Branch; Mr. E. Leclerc, Superintendent, Land Mail Service; Mr. E. J. Underwood, Chief Executive Officer; Mr. E. H. Devine, Superintendent, Audit Section, Land Mail Service; all of the Post Office Department.

The Chairman welcomed Mr. Catherwood to the Committee in substitution for Mr. Green.

The Second Report of the Sub-Committee on Agenda, dated March 17, 1953, was read by the Clerk, as follows:

Your Sub-Committee agreed to recommend as a *Second Report*:

1. That the Committee endeavour to get in touch with the Ottawa Correspondents of the Rural Mail Couriers Association of Canada, namely: Messrs. J. A. Carter and E. W. Boulton, and invite them to appear before the Committee or to submit a brief.

2. That the following officials of the Post Office Department be called to appear before the Committee on Wednesday, March 18:

Mr. G. Boyle, Director, Communications Branch,  
Mr. E. Leclerc, Superintendent, Land Service Branch,  
Mr. E. J. Underwood, Chief Executive Officer.

On motion of Mr. Langlois,

*Resolved*,—That the Second Report of the Sub-Committee on Agenda, dated March 17, 1953, be agreed to.

At the request of the Chairman, Mr. Langlois read letters which he had received from Mr. S. H. Webster of Acton, Ontario, Secretary of the Rural Mail Couriers Association of Canada, dated May 5, 1952 and November 5, 1952, and a letter to the Postmaster General, dated January 30, 1953, also from Mr. Webster, all of which urged that consideration be given to increasing the remuneration of rural mail carriers.

Mr. Langlois stated that efforts to locate the two Ottawa correspondents of the Couriers' Association had been unsuccessful.

The Chairman then read a telegram which he had received this day from Mr. Webster stating that illness prevented him from going to Ottawa and no substitute was available but that a brief would be mailed soon. After discussion, the Committee agreed to the suggestion of Mr. Cruickshank that the Chairman send a telegram to Mr. Webster inviting him to appear before the Committee, or alternatively, to send a brief.



Mr. Boyle was called and examined.

Mr. Turnbull also answered questions.

The Committee thereon proceeded to consider Bill No. 107, An Act to amend the Post Office Act, clause by clause, with the understanding that any of the clauses adopted this day would be reconsidered if found necessary after hearing the brief of the Rural Mail Couriers Association of Canada.

Clauses Nos. 1 to 9 were then severally considered and adopted.

At 5.35 o'clock p.m., the Committee adjourned until Thursday, March 19, at 11.00 o'clock a.m.

THURSDAY, March 19, 1953.

The Special Committee appointed to consider Bill No. 107, An Act to amend The Post Office Act, met this day at 11.00 o'clock a.m. The Chairman, Mr. Robert McCubbin, presided.

*Members present:* Messrs. Ashbourne, Boucher, Brisson, Bryce, Cardiff, Cardin, Catherwood, Coyle, Cruickshank, Dinsdale, Dumas, Dupuis, Fair, Garland, Langlois (*Gaspé*), MacLean (*Queens*), McCubbin, McCulloch, McWilliam, Montgomery, Noseworthy, Robertson and Ward.

*In attendance:* Mr. W. J. Turnbull, Deputy Postmaster General; Mr. G. Boyle, Director, Communications Branch; Mr. E. J. Underwood, Chief Executive Officer; all of the Post Office Department.

The Chairman informed the Committee that he had this morning learned by telephone from Mr. S. H. Webster, Secretary of the Rural Mail Couriers Association of Canada, that the association represents rural mail carriers throughout Canada. (*This was later confirmed by telegram from Mr. Webster received during the meeting.*) Mr. Webster had expressed satisfaction with the Bill provided that it was in accordance with the representations made in his letters to the Postmaster General and Mr. Langlois, which had been read at the previous meeting of the Committee. In these circumstances, it appeared unlikely that a brief would now be submitted.

The examination of Mr. Turnbull was continued.

There was a lengthy discussion on the regulations, general administration and operation of the rural mail service.

The Committee reverted to Bill No. 107; the title was carried, clauses 1 to 9 having been carried at the previous meeting.

*Ordered,*—That the Chairman report the Bill to the House without amendment.

At 12.55 o'clock p.m., the Committee adjourned to the call of the Chair.

ERIC H. JONES,  
Clerk of the Committee.

## EVIDENCE

MARCH 18, 1953

4.00 p.m.

The CHAIRMAN: Gentlemen, we have a quorum. I wish at the outset to welcome a new member to the committee in the person of Mr. Catherwood, who is replacing Mr. Green.

The first order of business today is to say that yesterday the steering committee met to consider a certain problem that had come before us in respect to calling certain witnesses, and I will ask the clerk to read the report of the steering committee.

*(See this day's Minutes of Proceedings.)*

The CHAIRMAN: Are you agreed on this report of the steering committee? Agreed.

Now, in respect to the first paragraph I am going to ask Mr. Langlois to read the last letter that he received from the Rural Mail Couriers Association of Canada.

Mr. LANGLOIS: Well, Mr. Chairman, there were several letters received from this association. The first one was dated May 5, 1952.

The CHAIRMAN: This letter that is being read, Mr. Cruickshank—you just came in—was the first letter that we received from the Rural Mail Couriers Association of Canada.

Mr. LANGLOIS: This letter, as I stated, was dated May 5, 1952, and was addressed to myself. I understand that similar letters were also addressed to many of my colleagues, members of the House of Commons. It reads as follows:—

Acton, Ontario  
May 5, 1952

Mr. L. LANGLOIS, M.P.  
Parliament Buildings  
Ottawa

Dear Mr. LANGLOIS—Our association executive felt that couriers should again have the privilege of remuneration adjustment without having to throw up their contract and retender. Also, that the suggestion voiced in earlier sessions of parliament for a committee to study rural mail in its entirety was the best method yet proposed to place rural mail delivery and the service on a footing commensurate with its importance.

In order to find out the feelings of individual couriers a letter has been sent to all the mail routes across Canada, and while answers are still coming in, the response has exceeded all expectations.

Our Postmaster General has been advised of the result of this survey with a request that if possible it be considered during the present session.

As many members of parliament have constituencies where rural mail is operated, we are pleased to send this information on to you, hoping that you will have time to give this some consideration and also have the opportunity to express and defend the desire of many of your couriers before the session closes.

In the interest of couriers and the service.

Sincerely yours,

S. H. WEBSTER,  
Secretary.

This letter was sent on the letterhead of the Rural Mail Couriers Association of Canada and it was dated from Acton, Ontario, May 5, 1952. For your information, this letterhead states that the honorary president of the association is E. W. Boulton; the president, E. W. Randall; the first vice-president, N. M. Walter; the second vice-president, E. Wadsworth, and the secretary-treasurer, S. H. Webster. The Ottawa correspondents are J. A. Carter and E. W. Boulton. We have tried to locate these two Ottawa correspondents mentioned on the letterhead, but without success. There is no address given here. We have looked up the telephone book and other directories and I do not think we in the department have ever heard of these two gentlemen. At any rate, we tried yesterday and this morning to locate them but without any success, as I stated before.

Now, another letter was addressed to myself, as well as to many other members of parliament. It was dated November 5, 1952. I think it should also be read into the record. It was also signed by Mr. S. H. Webster, secretary-treasurer of the same association, and reads as follows:

May we take this opportunity before the fall session opens with all its varied and intricate problems of bringing to your attention the 'committee' for rural mail delivery debated during last session.

During the summer we have advised couriers across Canada regarding this and we are convinced that it meets the approval of couriers generally. Already a 'Time Sheet Survey' just issued by the department is being mentioned in correspondence expressing the opinion that at long last we can hope for some results for our associated efforts over the years.

Having corresponded with couriers in every province for several years we feel that rural mail delivery and service is only partially understood even by department officials and much less by parliament as a whole.

A committee to study rural mail was first suggested to us by a former Postmaster General who realized something of the immensity of the problems involved and the finding of a worthwhile solution.

Our very sincere thanks to everyone who has taken an interest in our work, especially those who have taken an active part, and in the interests of both the couriers and the service we would solicit the co-operative support of each and all of you as future transactions and conditions afford the opportunity.

Sincerely yours,

S. H. WEBSTER,  
Secretary-Treasurer.

Another letter dated January 30, 1953, addressed to the Hon. Alcide Côté, M.P., Postmaster General, reads as follows:

Dear Mr. CÔTÉ,

On behalf of the rural mail couriers of Canada may I express our thankfulness for introducing a bill mentioned in the press of today, that will give you the authority to again increase the wages of deserving couriers without them having to throw up their contract and retender.

We trust that this will in no way interfere with the committee under discussion to study rural mail from a Canada-wide standpoint, for we are still convinced after our recent Canada-wide survey that satisfied couriers can only exist when they receive some equality of payment according to the amount of work involved.



For some time now statistical price records have changed very little and yet at the same time labour is asking and receiving substantial increases dating well into the future. This too is in the minds of many couriers, especially among the lower contracts. For example—a 4 to 5 hour day, furnishing all equipment and supplying gas, etc. for \$3.00. This is not an isolated instance either.

Again we say "thank you" as we look forward for something better for our rural mail couriers.

Sincerely yours,

S. H. Webster,  
Secretary.

There is another letter; in fact, two other letters which are about along the same lines, and unless you insist on my reading them into the record, I do not think they add anything to what is contained in the letters I have just read. I wish to point out that in none of these letters is here an intention or wish expressed on the part of this association to appear before this committee. They seem to be satisfied with what has been done. They have taken knowledge of the bill from what was apparently said in the press about it and they have stated that they are satisfied, and I quote in part, "that (bill) will give you the authority to again increase the wages of deserving couriers without them having to throw up their contract and retender." And this is exactly what the bill that is before us for study is doing for them.

Mr. CARDIFF: I think, regardless of whether or not they have stated their intention or desire to meet this committee, that an invitation should be sent to them to make representations here if they so wish, and that all their expenses be paid.

The CHAIRMAN: This is unsolicited entirely. Nobody from the department or myself got in touch with Mr. Webster, but a telegram came to me this morning about ten o'clock, addressed to myself. It came from Acton, Ontario. It reads:

Illness prevents going Ottawa. Substitute not available. Mailing brief soon.

S. H. Webster, Secty. R.M.C.A.

Mr. CARDIFF: All right, as long as they are satisfied.

The CHAIRMAN: That came this morning, unsolicited by anyone, and we will certainly take their brief into consideration.

Now, is there anything else?

Mr. LANGLOIS: I wish to add, Mr. Chairman—and members of this committee will have surely noted—that Mr. Webster and this Rural Mail Couriers Association seem to be satisfied with the bill as it is drafted, but that they have some views to express regarding the organization or the setting up of rural mail delivery service throughout Canada. That is what I understand from this letter especially that I have read because, after having said that he was satisfied with the authority to be given to the Postmaster General to increase remuneration of deserving couriers, he adds:

We trust that this will in no way interfere with the committee under discussion to study rural mail from a Canada wide standpoint, for we are still convinced after our recent Canada wide survey that satisfied couriers can only exist when they receive some equality of payment according to the amount of work involved.

I take it this has more to do with the order of reference of the committee, having to do with the general administration and operation of the rural mail throughout the country.

Mr. CRUICKSHANK: Mr. Chairman, I still cannot see where it will do us any harm to invite those people to come before us. I accept the wire as it is, but why not protect some of us from criticism by officially inviting them, and if they see fit, to come before us and then it is a matter of record. I could have sent that telegram from Hull. Let us ask them if they care to appear before us to make any representations.

The CHAIRMAN: That telegram comes from Acton.

Mr. CRUICKSHANK: I don't care where the wire came from. There is a motion before the committee and I do not see why it cannot be on the record that they are invited to come and make representations if they want to.

Mr. ROBERTSON: Does Mr. Cruickshank know any other organization to which we can address that?

Mr. CRUICKSHANK: Yes, the Rural Mail Couriers of British Columbia. I got the same letter as you have. They call themselves the Rural Mail Couriers Association of Canada, but what does that mean? Some of the insurance bills that come before us may have their head office in Timbuctoo. I can see no reason why we should not, as a matter of record, ask them if they care to make submissions and refer them to their wire of such and such a date.

Mr. LANGLOIS: Is this association you mention a branch of this national one? Is the letterhead the same? The letterhead on this one is the Rural Mail Couriers Association of Canada. Is the organization you mention the same?

Mr. CRUICKSHANK: I have received the same letter as you have read here. I get those letters once a month and I always answer them. I do not see why we cannot notify them, and they can refer us to their wire if they like. What is the harm in doing that?

The CHAIRMAN: It is up to the committee.

Mr. CRUICKSHANK: Well, I made a motion the other day that they be invited.

The CHAIRMAN: At their own expense, if they wish to come?

Mr. CRUICKSHANK: Yes, and all they need do is to refer to their wire. I know this is going on the record. I come from British Columbia. I will be able to say, "Here is the record, gentlemen, we invited the Rural Mail Couriers Association of Canada to make representations if they saw fit," and then quote them the wire that we got. What is the harm in doing that?

Mr. LANGLOIS: I see no objection whatsoever to doing that except this is going to delay the proceedings of the committee if we have to wait for them for a couple of weeks to get an answer back and come themselves.

Mr. CRUICKSHANK: Well, I will supply the air mail stamp myself to get it there quickly.

Mr. LANGLOIS: That is not what I mean. Suppose they say "Yes, we are ready to go to Ottawa and will be there in two weeks' time".

Mr. CRUICKSHANK: You can set a date if you like.

Mr. LANGLOIS: We will have to give them a reasonable delay to come down.

Mr. CRUICKSHANK: We won't be sitting here next week before Tuesday or after Thursday, because certain provinces, no doubt, want to have their delegates here and they won't be available Friday or Monday, and they could come back with these gentlemen from Toronto and other places on Tuesday night's train.

The CHAIRMAN: Have you got the address of this association?

Mr. CRUICKSHANK: I haven't got the faintest idea where Acton is. It may be a suburb of London.

The CHAIRMAN: It is near Toronto.

Mr. CRUICKSHANK: Let us put it on a business like basis and he can refer to his telegram if he wishes.

The CHAIRMAN: What I am trying to get at is, who do you think we should get in touch with?

Mr. CRUICKSHANK: Mr. S. H. Webster, secretary-treasurer of the Rural Mail Couriers Association, at Acton, Ontario.

The CHAIRMAN: And ask him what?

Mr. CRUICKSHANK: If his association cares to make representations, and set a date, and refer to the wire.

Mr. LANGLOIS: I think there is nothing wrong with your suggestion now.

Mr. CRUICKSHANK: That is all right.

Mr. LANGLOIS: It is a matter for this committee to decide.

I think there is nothing wrong with your suggestion that we wire Mr. Webster inviting him to come down and if he cannot come to send his brief as suggested in the wire.

The CHAIRMAN: All agreed?

Mr. DINSDALE: Mr. Chairman, is it customary when delegates of that kind are invited, to suggest that they pay their own expenses? What is the custom on that?

Mr. BRYCE: If they send lawyers, they will not pay their own expenses or they would not come otherwise.

Mr. LANGLOIS: Is it not only when there is a subpoena issued for a witness? I think that that is the case.

The CHAIRMAN: Are you all agreeable to the suggestion?

Agreed.

We have certain officials of the department here with us and if they wish to make a statement or you wish to question them it is all right. Mr. Boyle, who is the chief with respect to communications is here and willing to answer any questions. He is here as a witness and if there are any questions you wish to ask with respect to the bill or rural mail services he will answer them.

Mr. LANGLOIS: Mr. Chairman, at the last meeting some of the members of the committee asked me if they could have copies of the Post Office Act in order to appreciate fully the proposed amendments to it. I do not think there are enough copies to go around, but the clerk has about eight copies.

The CHAIRMAN: Are you ready to question Mr. Boyle?

Mr. COYLE: Before you start that, I would like to ask if Mr. Reynolds—is it Reynolds?

Mr. LANGLOIS: Randall.

Mr. COYLE: I think he comes from Aylmer, Ontario.

Mr. LANGLOIS: No addresses are given.

Mr. COYLE: I know. I have a lot of correspondence from him up in my office.

The CHAIRMAN: We will get in touch with Webster, he is the secretary-treasurer.

Mr. DINSDALE: There is a question I want to ask regarding the upgrading problem and renewal of contract. Is it not possible for a request that a contract be open come from interested parties, or must the department initiate it?

Mr. TURNBULL: Anybody can suggest it. If anybody writes in and says the services are inadequate or if there is any failure of duty on the part of the man—and the suggestion can come from anybody—it is dealt with on its merits.



Mr. DINSDALE: But the question which came up the other day was: Could a chap who had been eliminated make the request?

Mr. TURNBULL: I think you are trying to get me to say what we do about the request if we get it.

Mr. DINSDALE: Is there any policy in regard to that?

Mr. TURNBULL: It really has not come up yet because this bill not being through we do not have to face that difficulty. I am speaking now off the cuff. If we had a good contract and the increased price was considered a fair one, I think we would rather expect something more than the request of a previous tender to put this contract in jeopardy because that is the essence of the couriers representation, that they should not have a contract put in jeopardy if the service is satisfactory and we do not like to change it.

Mr. DINSDALE: If a petition came in?

Mr. TURNBULL: We would investigate it to see if there was any fandangling going on.

Mr. LANGLOIS: These renewals can be made under section 31 of the Act which says when the public interest will be served by renewal of the contract, that the Postmaster General may renew the contract. I take it if there was a petition stating that the majority of the boxholders on the route complain of the bad service the Postmaster General would conclude that the public interest be served by a renewal with the same man and would put the contract up for tenders again.

Mr. ASHBOURNE: Can we have the total cost of these services, for the rural mail services?

The CHAIRMAN: Mr. Boyle will give you that.

**Mr. G. Boyle, Director of Communications, Post Office Department, called:**

The WITNESS: The total cost for the fiscal year 1952-53 \$6,375,000 for rural mail services.

Mr. ASHBOURNE: And the fiscal year previous?

The WITNESS: \$5,905,648. There is an increase in 1952-53 of \$469,000, over the previous year. We estimate that the increase in the coming year will be more than \$500,000.

Mr. ASHBOURNE: That is for further extension?

The WITNESS: Adjustments of contract.

Mr. TURNBULL: Increased prices, increased services.

Mr. ASHBOURNE: On what basis is it contemplated the extensions will be made to other areas?

Mr. TURNBULL: The extensions will be based on the same standards they are at the present. When it is indicated that enough patrons want the service and they come under the conditions of four to a mile and so on, and if it is possible to provide a service, we do so. It will be a continuation of the present regulations and that, even without this bill, has called for an increase of half a million dollars in our estimates for the fiscal year opening up April 1st.

Mr. ASHBOURNE: Now, boxes are provided to the people on the routes at what price?

Mr. TURNBULL: \$4. That price has not changed for many many years.

Mr. BRYCE: Would you have a hundred boxes on a mile route or would you have it four to the mile?

The WITNESS: Four to the mile is the general rule. On the establishment of a route we have prospective boxholders to the extent of four to the mile but we authorized a route where we had 50 such boxes.

Mr. BRYCE: In a 25 mile route if you had 50 boxes would you start?

Mr. TURNBULL: There would have to be 100 potential users, but we will not wait until the last man buys his box before we start the service, but there must be a potential there.

Mr. BRYCE: If you have a potential of four boxes to the mile you will stretch a point and get started?

Mr. TURNBULL: Yes. Where the service is not six times a week we lower the standards to two to the mile and not four.

Mr. FAIR: When it is twice a week it is two to the mile?

Mr. TURNBULL: Yes. We lower it progressively with the diminution of the service.

Mr. FAIR: One to the mile in the case of two deliveries a week?

Mr. TURNBULL: Yes, it is right that we follow pro rata figures.

The CHAIRMAN: Anything else now in respect to this bill?

Mr. ROBERTSON: I would like to refer to a statement on the top of page 4 of the statement by the Postmaster General. It says: "The forms of advertisement which we should use could indicate the type of vehicle required and consideration would be given to the number of boxes served on the route."

Does the department envisage a change in the type of advertisement after this bill becomes law?

Mr. TURNBULL: I think, Dr. Robertson, the point there was some of these men who tender are not aware of the fact that we expect them to maintain service in season and out, in good weather and bad, and they think they can get by with a very light car whereas they might need something heavier in certain weather or even a snowmobile, and we should indicate as near as we can the type of equipment they might need so that he would not be going into it blindly.

Mr. ROBERTSON: Do you do that now?

Mr. TURNBULL: Not the type of vehicle. We simply indicate the distance to be covered and we say a suitable vehicle, which is elastic.

Mr. CRUICKSHANK: Has the witness any average figures for the various provinces?

The WITNESS: In the Vancouver district the average cost per mile is \$79.55 and the average cost per box is \$8.30.

Mr. CRUICKSHANK: \$79 per mile?

The WITNESS: That is right. The Edmonton district is \$63.44 and the average cost per box is \$14.88.

Mr. CRUICKSHANK: The reason I was asking that is I have averaged it out.

The CHAIRMAN: Would it be all right if he gives it all across Canada?

The WITNESS: Calgary district \$58.24, \$15.60 per box. Saskatoon \$65.28, \$17.98 per box. Moose Jaw, \$65.85, \$18.03 per box. Winnipeg \$62.08, \$15.16 per box. London, \$53.59, \$13.95 per box. Stratford—I might say that we divided the London district into smaller districts—\$52.38, \$12.79 per box. Windsor, \$67.58, \$10.14 per box. Toronto, \$61.01, \$13.24 per box. North Bay, \$60.03, \$19.95 per box. Ottawa, \$51.89, \$18.11 per box. Montreal, \$55.47, \$15.80 per box. Quebec, \$57.04, \$17.81 per box. Saint John, \$54.78, \$19.60 per box. Halifax, \$59.27, \$18.99 per box; and Charlottetown, \$56.50, \$17.61 per box.

Mr. CARDIFF: What is the cause of the variation?

The WITNESS: Local roads and conditions are different in different parts of the country.

Mr. CARDIFF: I understand that.

Mr. LANGLOIS: I understand also that in British Columbia especially the rate is much higher per mile per annum. That is due to the greater number of boxes on the routes.

The WITNESS: Quite.

Mr. LANGLOIS: But when you take the average price per box per year, you will find that they have the lowest rate throughout Canada per box.

The WITNESS: That is right.

Mr. CRUICKSHANK: I think these figures will compare in the Westminster riding, or they compare in my own riding with those under 20 miles. They will average 17 miles, and the average payment is \$1,602, and the average number of boxes is 196. But when you move over 20 miles, I cannot understand how a man who gets more money is 3.2 miles lower, while for those over 20 miles the average is 25 miles, and the average payment is \$2,148, and the average boxes, 146. One man comes 23 miles short, and the other man has 2.7 miles more, and he has \$550 less but has 91 more boxes; and for those over 30 miles—that is the largest we have on the lower mainland of British Columbia—the average is 34 miles, and the average payment is \$2,226 and the average number of boxes is 206. There is something obviously wrong.

Mr. LANGLOIS: It is in the tendering.

Mr. CRUICKSHANK: It may be in the tendering, but I notice that in a month and a half they have let a lot of tenders to new men who are taking the place of men who had been in there for 25 years, and paying \$500 more than the other fellow was getting for more mileage.

The CHAIRMAN: That is the reason for this bill.

Mr. CRUICKSHANK: I appreciate that it is, but I am glad to know—although I do not know if it will help me much in persuading my fellows out there—that we have the lowest rate of all in British Columbia. Probably that is because we are more efficient people out there.

Somebody says that we have cheaper help. Cheaper help, my foot! They pay higher wages out there than anywhere in Canada. I will bet you \$100 that we pay higher wages than any place in the maritimes or the combined maritimes.

Mr. MACKENZIE: Is the Windsor area higher?

Mr. LANGLOIS: No. Vancouver is the highest, I mean per mile.

Mr. MACKENZIE: What is the average for Canada?

The WITNESS: The highest rate per mile is at Vancouver.

Mr. MACKENZIE: What is the average per mile throughout Canada?

The WITNESS: \$57.27.

The CHAIRMAN: Is that what you want?

Mr. MACKENZIE: Yes.

Mr. CARDIFF: We live in the snow belt. Where I come from we have more snow in that particular section than any other place. We have about as much snow as they have in Ottawa at any time.

Mr. LANGLOIS: We have snow too, down in Gaspé.

Mr. CARDIFF: If there is any snow at all we get it in that section. Therefore, it is worth more money to draw mail there than any where else. For instance, in Kent, there is no snow down there at all. In that area they have not got to fight snow in the winter time whereas in our areas there are times when you cannot even get through with a horse.

Mr. COYLE: We have mud instead of snow.

Mr. CARDIFF: Our roads are very good, however.

Mr. MACLEAN: In Prince Edward Island there is an artificial difficulty. We get a lot of snow some years, and part of the routes are kept plowed open for



motor traffic all the time, whereas part of the same routes are not plowed and you have a condition where the courier has to deliver mail over a road which is neither fit for horse nor car, and it is pretty difficult.

Mr. LANGLOIS: That condition obtains in many other districts as well.

Mr. MACLEAN: I recognize that, and I suppose consideration could be given to it.

Mr. CRUICKSHANK: I have one more question. Have you the average number of boxes per mile?

The WITNESS: You mean per route?

Mr. CRUICKSHANK: Have you got them?

The WITNESS: The average number of boxes per route in your district is 237. That is in the Vancouver district. In Edmonton, it is 60. Calgary, 57, Saskatoon, 40, Moose Jaw, 38. Winnipeg 66, London 86, Stratford 91, Windsor 156, Toronto 97, North Bay 61, Ottawa 64, Montreal 71, Quebec 65, St. John 57, Halifax 64, and Charlottetown 58.

Mr. CRUICKSHANK: I think that is good information to have.

The CHAIRMAN: All that information will appear on our records which were tabled yesterday. The report which was tabled yesterday contains all this information which you are asking for, but it will not be in print for a day or two.

Mr. ROBERTSON: Under our present post office regulations the Postmaster General has the power to adjust contracts under \$1,000. I think for the most part the department takes a fairly objective outlook on this situation. But I feel more or less that in connection with routes of perhaps 8 or 9 miles enough consideration is not given to the fact that the contractor has to maintain a vehicle just like the contractor who has a longer route of, let us say, 20 to 25 miles. Therefore I think more consideration should be given to the man who has the smaller route and that he should be paid considerably more per mile than the man who has a route of let us say, 20 to 25 miles. I would like to have your comments on that problem.

Mr. LANGLOIS: Do I understand you to mean that our adjustments for contracts under \$1,000 were not generous enough in the past?

Mr. ROBERTSON: I do not think they were, for the fellows on small routes.

Mr. LANGLOIS: The adjustments for contracts below \$1,000 were made under the provisions of section 23 of the Act which says that in making these adjustments the Postmaster General was not to pay more than was paid for contracts for which tenders had been invited. And as the minister explained yesterday, before granting these adjustments we used to ask our district inspectors to give us the average of three similar services in the same area, for which tenders had been invited, and we would base our adjustments on that average. This was done on account of the provisions of section 23 of the Act which say that the Postmaster General in granting those adjustments was not supposed to pay more than he would have paid if tenders had been invited.

Mr. ROBERTSON: I agree with that, but it does not answer the point I raised. A man who has a route of, let us say, 8 miles has to maintain a car just the same as a man who has a route of, let us say, 20 miles. Therefore I think the rate per mile in the former case should be considerably higher than it is in the case of the man who has the longer route.

Mr. LANGLOIS: In the future, adjustments for contracts below \$1,000 would be made under the provisions of the proposed amendments. Then they will be made on the same basis as for other contracts.

Mr. ROBERTSON: I wonder if I might have Mr. Boyle's comment?

Mr. TURNBULL: I take it that what you suggest is that if this bill goes through, then in administering the act we should give consideration to your suggestion and pay more money, or make more generous adjustment of the salary. However, I am not in a position to make promises. I do think that your remarks are very pertinent and I promise to give full consideration to that point of view. But as to policy, we would have to wait until we had the act as passed before we could do anything about it.

Mr. MACLEAN: Has the Deputy Postmaster any figures in regard to the present cost per mile of a short route in comparison with the cost per mile of a longer route?

Mr. TURNBULL: No, but we have a few extreme cases here. They are extremes. Mr. Cruickshank touched on some of them, where there is great variation, but they have not been analyzed in order for me to say that the 5 mile one costs so much. We could do that, but we have not done so.

Here are some extreme cases, to which this may be pinned down. I quite agree with the contention of everybody that there are great discrepancies in the system. So we have picked routes of almost comparable size in the number of miles and the number of boxes. The extremes are great.

Here is one at Armagh in Quebec of 26.3 miles with 109 boxes. The man gets for that \$54.75 per mile. Here is another one, for Bernatchez, P.Q., R.R. No. 1. It has 26.2 miles, exactly the same distance, with 92 boxes,—only 17 less,—and the man gets \$42.70 per mile. Here is one of 21 miles, with 105 boxes, and the man gets \$64 per mile. That is Alma, R.R. No. 2, Ontario.

Here is another one of 21.3 miles, exactly the same distance; there are 94 boxes, and the man gets \$89 per mile. That is Cap Chat, P.Q. Here is one up in the Toronto district. This is for 23 miles. It is at Ayton. There are 91 boxes. He gets \$46 a mile. Here is one at Bowmanville with 21 miles and 94 boxes, which is, about the same thing. There he gets \$64 a mile.

In the maritimes, here is Digby, rural route No. 1 with 19½ miles and 81 boxes, and he gets \$71.69 per mile. And on Digby rural route No. 2, with 20 miles and 84 boxes, the rate is \$65.66 a mile. I have got a long list. I do not know if you want me to go on, but it does indicate that there is a terrific discrepancy.

Mr. MACLEAN: There is, in the rate per mile of routes of approximately the same length.

Mr. TURNBULL: We have not got them broken down by the cost of, let us say, a ten mile route, a 20 mile route, a 30 mile route and so on.

Mr. COYLE: Road conditions may vary.

Mr. TURNBULL: Yes, they do.

Mr. CARDIFF: Can you give me an idea of my section?

Mr. TURNBULL: I only have the Toronto district and the London district. Here is Alma. Is that one you know of?

Mr. CARDIFF: That is a township.

Mr. TURNBULL: Alma has 21 miles with 105 boxes, and it pays \$64.29 per mile. That compares fairly closely with one for Batiscan, P.Q. with 20.3 miles. It is very close to it. It has 99 boxes, again very close; and that man gets \$53.20 per mile. There is only \$11 difference.

Mr. CARDIFF: That is due to the contracts?

Mr. TURNBULL: Yes, and the roads, may be.

Mr. MACLEAN: And the time of day. For instance, a man may have a route which in the summer time he can do in the evening, following his other employment.

Mr. TURNBULL: That is one reason it was finally concluded that the tender system should be retained. There are so many variants, including that of the

business of the courier, and whether the man can carry on other work. Therefore by retaining the tender system they can take that into account, which is something we cannot do.

Mr. CRUICKSHANK: Would you take into account a man getting not over \$1,000? Take the two cases which I gave of men under 20 miles; one has 14 and the other has 17 miles and both are getting the identical amounts and one has almost twice the number of boxes that the other has. I presume you will take that into consideration?

Mr. TURNBULL: The work to be done will be the criterion.

Mr. FAIR: I wonder if it would be any benefit in arriving at a fair price for the different routes to take into consideration, the type of road, for instance; so much per mile on black top, so much on gravel, so much on dirt, and at the same time taking into consideration the number of boxes on the route and the snow fall at that time. We have in my province quite a number of bus routes and in some divisions they work on that basis, and it seems to work out satisfactorily. I was wondering if you could consider that to some extent.

Mr. TURNBULL: In making any adjustments the route conditions will certainly be an important factor but I do not think we can put just the total in saying the black top route so much, dirt road so much because—

Mr. FAIR: My suggestion was in case of adjusting contract rates. I do not lay it down as overall policy, but in the case where a man may apply for adjustment.

Mr. TURNBULL: But in doing this we could not do it here in Ottawa. We have not roads put down according to whether they are black top roads or otherwise as you will know if you will drive through the streets of Ottawa. Often the roads may be cement or dirt and often they represent a great hazard.

Mr. FAIR: You are not going to penalize my county with road conditions in Ottawa.

Mr. LANGLOIS: May I say that the use as a guide of the wage schedules issued by the Department of Labour will cause us to take into account these local conditions such as road conditions, etc., since they give rates actually paid in the areas concerned, and these rates reflect such local conditions.

Mr. CRUICKSHANK: Another question I would like to ask. When you take into consideration two 21-mile routes and one has 84 boxes, and the other has 102 boxes, then the length of the 102 is more and is that taken into consideration?

Mr. TURNBULL: That would be, definitely.

Mr. MACKENZIE: The Deputy Postmaster General was quoting discrepancies and he talked about the great deal of difference between where contracts were recently appointed by public tender in the last year and where they were averaged for the last five years. When the parliamentary assistant talked about adjusting the rate of \$1,000 and under, they take the average of this rate of these three as a yardstick to adjust it, but it makes all the difference in the world whether these three had recently been advertised by public tender, or whether they were something done 10 or 12 years ago.

Mr. LANGLOIS: They were taken from tenders obtained quite recently.

Mr. DINSDALE: I presume the carriers you described as providing side services would be subject to the terms of this bill?

Mr. TURNBULL: Oh yes, all contracts.

Mr. DINSDALE: But in Manitoba you have some side service carriers meeting the trains on a few occasions.

Mr. TURNBULL: They come under this too.



Mr. LANGLOIS: The only contracts excepted will be contracts under section 29 which are contracts with railway, air, steamboat or bus services.

Mr. CRUICKSHANK: Did I understand someone to say that a carrier can pack something else in the car and deliver you your groceries?

Mr. TURNBULL: That is an awkward one. If that sort of thing is done, and there is any complaint at all that it interferes with the performance of the service then we stop it, but if it does not interfere with the service, and particularly if we do not hear about it, obviously we do not do anything about it. I am told that what happens is that very frequently somebody has sent in a bitter complaint and he states, for instance, that this fellow is running a grocery concern, and robbing me of my customers, calling on them in his official position as mail carrier; when we get that sort of complaint we cannot but take action.

Mr. ROBERTSON: It is often an added service.

Mr. TURNBULL: But it does give him an edge on his competitor.

Mr. DUMAS: Is it your intention if the bill is passed that all priced tenders will be more realistic than they are now due to the fact that the contractor's price can be amended only after a year or in some cases in two years?

Mr. TURNBULL: That is one I would not like to guess at. I do not know what is in the minds of future tenderers and it is difficult to answer that.

Mr. McCULLOCH: A man now having a tender running would be able to get an increase.

Mr. TURNBULL: He could make an application after the expiration of the time provided in the bill.

Mr. LANGLOIS: If one year has already expired.

Mr. McCULLOCH: What if a man contracts for ten years, and he wants to renew that and he starts right at once to get an increase, if necessary?

Mr. TURNBULL: After the bill is passed, if the contract entered into has been in existence a year or more then he will be eligible for an immediate increase if it is considered he deserves it.

Mr. CRUICKSHANK: I know this does not come under the bill, but I would like the information. It is in connection with carriers. It is said that when inspectors call for new tenders, and they get a tender in for say \$2,400 and your inspectors or representatives think it is too high and five people have tendered for it, it is claimed that your inspectors go around to these five who have tendered, and say that if you will reduce it by \$150, say, then you will get it. They claim that this sort of thing is being done in British Columbia.

Mr. TURNBULL: Yes, but this is right in the Act. It says:

Where in the opinion of the Postmaster General the lowest tender received after public advertisement is excessive, he may refuse to accept any tender and may give to each tenderer an opportunity to revise his tender, and if a reasonable offer is received he may enter into the contract with the tenderer who has submitted the lowest reasonable offer, but if no reasonable offer is received...

That is after this canvassing, and it continues,

...the Postmaster General may either again invite tenders pursuant to section 22 or may invite offers from any person in such manner as he deems expedient, and offer so received shall for the purposes of sections 24, 25 and 30 be deemed to be a tender.

Mr. CRUICKSHANK: I do not think you quite follow. I am not trying to get them to give me the actual names of inspectors, but I have a letter which came to me yesterday—it is not from someone in the postal department—but this lady says that her son who is an R.C.A.F. veteran tendered and his tender

was considered too high. The inspector went to the various ones, and suggested if you make it \$1,900 you will get it—I am using loose figures.

Mr. TURNBULL: We would strongly disapprove of any such action on the part of an inspector. All they are supposed to do, if the tender is too high, is to give him an opportunity to revise the tender, but they are not supposed to say if you lower it by \$100 you will get it.

Mr. CRUICKSHANK: I do not think they do.

Mr. MACLEAN: Do they know what the original tender is, beyond that it is considered too high?

Mr. TURNBULL: They would know what the tender is.

Mr. MACLEAN: I am not suggesting it happens, but doesn't that create the possibility of abuse? Could he not tell the fellow who was his friend to drop it so much, say, drop it by \$150, and you will likely get it?

Mr. TURNBULL: They could, but that thing applies in any tender system where tenders are open; some person with a low code of ethics can tip off his friend, if he has one, to the other tenders and something may be done about it. We certainly would not countenance that.

Mr. MACLEAN: But would it not guard against that to a certain extent if the inspector who actually went around to inform tenderers that they are too high knew only that they were too high and if he did not know who was the highest one?

Mr. TURNBULL: We could do it that way.

Mr. CRUICKSHANK: Why not call for new tenders?

Mr. TURNBULL: Certainly the postal department could call for new tenders entirely.

Mr. CARDIFF: I do not think a man sent to inform a tenderer that the tender is too high should know anything about it.

Mr. TURNBULL: We could simply say that the tenders are too high, and ask for new bids or stick up notices. The objection to the second course of calling for new tenders is that it does make for considerable delay when you have five men who are interested.

Mr. CRUICKSHANK: Why not ask for—

Mr. TURNBULL: I think a preferable course might simply be to say to them—and it might even be done in place of the inspector going around, by giving formal notice by letter saying that the tenders have been received but they are all too high, and giving them an opportunity to revise the tender, with a time limit in which to do so.

Mr. CRUICKSHANK: In sealed envelopes.

Mr. TURNBULL: Would that meet with your agreement?

Hon. MEMBERS: Yes.

Mr. ASHBOURNE: I would like to ask Mr. Turnbull whether or not any application has come in from Newfoundland for the extension of this service there. I know it was not in the list as one of the—

Mr. TURNBULL: Mr. Ashbourne wants to know if any requests or petitions were submitted for the establishment of a service in Newfoundland. I am not aware of any, but perhaps Mr. Boyle is. Have you had any requests for a service?

The WITNESS: For rural delivery?

Mr. ASHBOURNE: Does the department contemplate setting up in Newfoundland this service?

Mr. TURNBULL: Newfoundland is not ruled out at all. As you know transportation conditions there are somewhat different, and it does not seem

to have occurred to many people to apply, but if they apply and give the number of people and so on, certainly a service will be established.

Mr. ASHBOURNE: Some of the people down there have to carry their mail on their backs for miles and just recently I had a letter from a place asking for a post office to be set up for so many families.

Mr. TURNBULL: They are just as eligible as any other part of Canada.

The CHAIRMAN: Has anyone else any questions?

Mr. CATHERWOOD: Being a new member of the committee, I would like to thank you for your remarks welcoming me to the committee which I feel is a very excellent committee, and I feel we are going to get down to grass roots after listening to the discussion here this afternoon.

I wonder if the committee would give thought to the matter of how far they believe the tender system to be the proper system. It is difficult to avoid it. I also wonder if the committee would consider the possibility that, say, after five years of satisfactory service on a certain route, a certain form of pension plan might be set up for rural mail carriers. It seems to me that would be something of immense value to carriers, and good for the service and I wonder what your department's views are on that.

Mr. TURNBULL: In recent years we were successful in obtaining a pension plan for rural postmasters who never enjoyed it before. It has been quite successful. They did, however, come under the provisions of the Superannuation Act. That Act indicates two things which might make it a bit difficult for the couriers. One is that a man must be in receipt of a salary, a fixed annual salary—not paid so much by a tender system—and he must be devoting full time to that work. The wording is: “not engaged in any other substantially gainful occupation”. In other words, it is a full time job. If you ask us for our sentiments in the matter, we would certainly look with favour on it, but under the terms of the Act it might be very difficult to work out because you must remember other public servants are not eligible for any pension until they have reached the age of 60 years, and then it is based on one-fiftieth per year of service of their average salary for the previous ten years, in the case of people now coming under the Act. Now, if we provided all these conditions in the case of these couriers you are setting up quite formidable barriers to the early implementation of it. As you say, after some years of this thing it might be a very fruitful subject for discussion, say, in five years.

Mr. CATHERWOOD: I realize it has certain difficulties, but I think it would be a good thing for the couriers and it would tend to more satisfactory service. It would be very acceptable from their point of view.

Mr. TURNBULL: From our point of view we would be glad to consider it but it would depend on the attitude towards pensions. There are not only these men concerned; there are many other people who will be concerned in the matter also.

Mr. FAIR: Mr. Chairman, I would like to know what Mr. Turnbull meant by the words “fully employed as a rural mail carrier”. Suppose a man works four days a week as a courier and does not anything else. Would that qualify him as a full time employee, and if not, why would a man who works five days a week qualify in that regard?

Mr. TURNBULL: I think, Mr. Fair—although I am not able to follow through the twisted wording of these Acts—the implication is that if we require the man's full services, if our demands on him are such that he cannot turn to something else for his livelihood, then it is up to us—and I am speaking very broadly—to look after him in his old age. But if a man works two days a week and does nothing else the rest of the time, we have no obligation toward him.



Mr. FAIR: I realize that, but a man may have a route which will keep him going four days a week and he might not be able to get any gainful employment for the other two days of the week. What would his position be in that case?

Mr. TURNBULL: If it came to that point, after some years of study, it might be settled on the basis of the over-all value of the work done. If he is paid so much money, we can consider we are demanding so much of his time and, therefore, he has some claim to a pension.

Mr. FAIR: I was just putting that in the record so that you would have it for consideration at some future time, and I hope you do consider a superannuation claim for those men.

Mr. DINSDALE: Can a courier work on more than one route?

Mr. TURNBULL: Yes.

*By Mr. Dinsdale:*

Q. While Mr. Boyle is here, I would like to say that we have a peculiar problem on the prairies, with the rural population declining, and farm units growing in size. Two cases of cancellation of rural routes came to my attention recently. Now, I wonder what the solution to that difficulty is.—A. When routes are cancelled, there has to be a very good reason. They have outlived their usefulness in some way or we would not cancel them. We give the greatest consideration to service. I have not got in mind the two cases.

Q. One is quite recent, Alexander rural route No. 1.—A. The Alexander route was discontinued and then reestablished. We have tried to maintain the service as far as possible; any routes we have cancelled, you may rest assured that they get their mail readily at some post office.

Q. I think in the case of the Alexander rural route it was a problem of cost?—A. The contractor wanted an excessive price to serve the route. It was a very poor route. As a result of negotiation, we reduced his price and we reestablished it, but it still is a poor route.

*By Mr. Ashbourne:*

Q. Mr. Chairman, are there different routes in winter and summer, or are they all served summer and winter?—A. Both—both summer and winter.

Q. What about where there is summer service and there are more boxes in the summer than in the winter? Is there a different rate paid or is it on an annual basis that remuneration is given?—A. This again is covered by the tender. In other words, a man tendering fixes his own price, but if this bill were through, then again consideration would be given to the fact of the incidence of the work. Is that your point, Mr. Ashbourne?

Mr. ASHBOURNE: I think that covers it, yes.

Mr. FAIR: There is another point, Mr. Chairman, I would like to have discussion about, and that is the frequency of service. In my part of the country we get two mail deliveries a week. Certain other parts get three, some four, some five and some six. I was wondering whether there is any possibility of having those sections of the country that are at present receiving two mail deliveries a week stepped up to three, because I think that three is about the least we should expect under present day conditions. Moreover, the people who are receiving two deliveries a week today are paying for daily service, or perhaps service twice a day, in cities. I do not think we should have that disparity. I think we should have the service stepped up to at least three times a week.

The CHAIRMAN: I don't want to stop you in any way, Mr. Fair, but I think we are straying a little away from the bill. I was trying to keep as near to the

bill as we could, and then when we get through with the bill we will have a general discussion on points such as yours. I stopped Mr. Coyle a while ago. It is perfectly legitimate, but I was letting you stray a bit.

I would like to consider this bill clause by clause and go through with it. I think that is the best way, after a general discussion first. But here there is the other problem of this brief. If the brief does not come in within a week, of course we cannot wait, but if it comes along tomorrow morning, should we wait before we go into this bill clause by clause?

Mr. ASHBOURNE: I think we should. I think we should wait.

Mr. BRYCE: Why don't we tell them to hurry it up?

The CHAIRMAN: I will call him as soon as the meeting is over.

Mr. LANGLOIS: Could we not go on with a clause by clause discussion of the bill on the understanding that when we get the brief if it is necessary to go back on any of the clauses, we will do it?

The CHAIRMAN: If the committee is agreeable to that, I will do that, but I want to be fair to the Rural Mail Couriers Association as well as to the committee. I am in the hand of the committee. We do not want to delay; the Rural Mail Couriers Association want action, and they want it soon.

Mr. McCULLOCH: Let us carry on clause by clause.

Mr. LANGLOIS: With the understanding that we will come back to it if necessary.

The CHAIRMAN: That procedure will not prejudice anybody.

I will call clause 1—the Postmaster General may contract where the amount is \$1,000 or less.

1. Subsection (1) of section 23 of *The Post Office Act*, chapter 57 of the statutes of 1951, is repealed and the following substituted therefor:

"23. (1) When the Postmaster General considers that the public interest will be promoted by such a course, he may enter into contracts for conveying mail involving an annual expenditure of one thousand dollars or less, if the amount to be paid for the services to be performed under the contract does not exceed the amount generally paid for comparable services in the same area."

Are there any questions you wish to ask with respect to that clause?

Mr. COYLE: This is just for rural mail couriers, not postmasters?

The CHAIRMAN: Rural mail carriers and side services.

Mr. BRYCE: And that takes in 43 per cent of the contracts that will be let without tender?

The CHAIRMAN: Yes.

Mr. BRYCE: I think they should be let by tender.

The CHAIRMAN: That is not said in here.

Mr. BRYCE: Yes, it is.

Mr. LANGLOIS: May I explain here that the only words changed are those underlined in the bill. Today, it is not compulsory to invite tenders for contracts below \$1,000. The only change is in the words which are underlined. You know, Mr. Bryce—and this may clarify the situation—section 23 of the Act reads as follows:

23 (1). When the Postmaster General conceives that the public interest will be promoted by such a course, he may enter into contracts for conveying mail involving an annual expenditure of one thousand dollars or less, if the amount to be paid for the services to be performed under the contract does not exceed the amount ordinarily paid for services of a like nature under contracts made after inviting tenders.

The only change that we propose bringing about by this amendment to section 23 relates to the following part of the section:

... if the amount to be paid for the services to be performed under the contract does not exceed the amount generally paid for comparable services in the same area.

The only words that are changed there are the words "generally", "comparable", and "in the same area", six words in all.

Mr. BRYCE: But you are going to call for tenders just the same?

Mr. LANGLOIS: We may call for tenders.

Mr. BRYCE: You may or shall?

Mr. LANGLOIS: We may. It is permissive.

Mr. BRYCE: You do not need to do it unless you like to?

Mr. LANGLOIS: In about 98 percent of the cases in the past, we have called for tenders.

The WITNESS: We are not exercising this power to any extent; we feel safer by calling tenders.

Mr. BRYCE: I take your word for it, but I do not know who is going to be in your place tomorrow.

Mr. TURNBULL: Well, you may be sure—

Mr. BRYCE: And I will take your word for it; but maybe you will not be Deputy Postmaster General all the time.

Mr. TURNBULL: I will make a prophecy, if I may use a pun, that we will probably have some "hard-boyled" person in that position.

The CHAIRMAN: Is clause one carried?

Carried.

Clause 2?

Mr. LANGLOIS: That is to bring this section in line with the amendments made last year to the Finance Administration Act; instead of going before the Governor in Council they go before the Treasury Board.

Mr. MACLEAN: In cases where the lowest tender is not accepted is that tender thrown aside?

Mr. TURNBULL: If we do not accept the lowest tender because of bad reputation or lack of equipment.

Mr. McCULLOCH: And if surety is not good?

Mr. TURNBULL: Yes. We approach it with considerable caution because sometimes the reasons put out in a document might be the subject of an action—"Who says I am a low-down crook"? The reasons are good, but we do not put that in a letter.

Mr. BRYCE: I had one of those routes in my district. A man carrying mail for four or five years and another party came in and got it because he was overseas and the other fellow was not allowed to go overseas. And he got that, and when it came up again you never called for tenders and said that this fellow was satisfactory.

Mr. McCULLOCH: Every mail carrier has to be insured?

Mr. ROBERTSON: Does the veterans' preference enter into the contract?

Mr. TURNBULL: No.

Mr. ROBERTSON: There must have been some other reason.

Mr. TURNBULL: The minister must send an indication to the Treasury Board. In other words, some person outside the department must be in the picture.



Mr. MACLEAN: When the lowest tender is not accepted do you get many violent complaints from these people who have been turned down because they have been turned down?

Mr. TURNBULL: I would say that we do not because they know there are good reasons. If there is any skullduggery going on the man is usually able to raise the question in parliament. We do not get any kickbacks. They know why but do not want to put it in writing.

Mr. CARDIFF: These contracts that are objectionable, do those men have to have a bond?

Mr. TURNBULL: They have to have what are called sureties. Two men must sign they will go surety.

Mr. MACLEAN: In the case of the objection taken, the sureties sometimes are not any better than the men themselves.

Mr. LANGLOIS: When the tender is asked for, the tenderer has to provide, not sureties, but guarantors to show that he is a bona fide tenderer. The sureties come afterwards.

Mr. TURNBULL: These men endorse the note, but they have no money in the bank either.

The CHAIRMAN: Clause 2?

Carried.

Clause 3? That is routine.

Carried.

Clause 4? That is the main clause in our bill.

Carried.

Mr. FAIR: Respecting the two last paragraphs in sub-section (c), Clause 4:

(ii) in the case of a contract entered into on or after the day on which this subsection was enacted, two years have elapsed since the contract was entered into, and

(iii) in the case of a contract, other than a renewal contract, entered into before the day on which this subsection was enacted, one year has elapsed since the contract was entered into.

Then, in the case of contracts effective before this is passed the time is only one year.

Mr. TURNBULL: The distinction is the case of a contract entered into after this—

Mr. FAIR: I am not objecting to it.

The CHAIRMAN: Clause 4?

Carried.

Mr. MACLEAN: One clarification in subsection (b)

(b) not more than one increase in the amount payable under a contract shall be authorized under this subsection during the term of that contract.

That means the original contract and any extensions of it?

Mr. TURNBULL: No. When it is renewed it is in the contract. At the end of four years he can come up again.

Mr. McCULLOCH: During that four years it cannot be increased?

Mr. MACLEAN: Theoretically if his contract is extended at the end of each four years his payment could be increased every four years?

Mr. LANGLOIS: Generally speaking he has to wait two years for the first adjustment and four years for the next one.

Mr. TURNBULL: Mr. MacLean's point is that if you renew the contract, then it is the same contract and therefore strictly speaking you cannot give him anything more. In other words, you had to break the contract and start fresh again.

Mr. MACLEAN: I may be wrong, but it would seem to me you are creating a situation where abuses might creep in. Would it not be more fair to assume that the extension is the same contract and that if you are going to give another extension to the same man the thing should be let under tender in the meantime?

Mr. McCULLOCH: Times might change in those four years.

Mr. TURNBULL: Mr. MacLean, I am not, as I think the committee will realize each time that I open my mouth, a lawyer. In this I would like to have good legal advice and I wonder if I have a good lawyer anywhere near me. The wording of this is perhaps so rigid that a man can get one increase only and if he goes on another twenty-five years he cannot get another one because the bill refers to a contract, a new contract whereas the whole essence of this discussion is if we keep on good and faithful men we should not nail them down to impossible conditions brought about by changing circumstances and passage of time. I am not absolutely clear in my own mind that that wording is sufficient or the Auditor General might say you cannot do that. This is the same old contract all over again.

Mr. LANGLOIS: I want to add this—and I wish to make it clear that in doing so I do not want to prove I am a good lawyer because of the remarks Mr. Turnbull made. This point was discussed at some length with the legal advisors of the Department of Justice, especially with Mr. Driedger, and we believe that the opening wording of sub-section 2 of clause 4 the bill that reads as follows: "(2) The Postmaster General may, during the term of any contract for conveying mail entered into, whether by way of renewal or otherwise . . .", clear enough and that every renewal is a new contract.

Hon. Mr. COTE: This is confirmed by the last paragraph of the sub-section.

Mr. MACLEAN: With that set-up is it possible to get in a position where all tenderers when the contract is let will tender at a price which they honestly feel they can provide the service for? One observation is, someone might tender at a price which he knows is too low and he is willing to go on for two years running at a loss or at low wages because after that time it will be easy for him to demonstrate that his contract is too low and he will have it upgraded, and then he will be in a position where he can have it renewed at the end of each four years; and also in a position where if conditions warranted he could have it upgraded every four years after the lapse of the first two years.

I agree wholeheartedly with the motives behind this and the purpose we are trying to reach. But it seems to me that you are protecting this fellow in two ways. He is in a position where he can intentionally tender too low in the first place, in order to establish himself. And then, after that, he will be in a position to get an up-grading to the point where it will make the operation profitable for him; whereas the fellow who tendered honestly in the first place, at a reasonable cost, and who probably subsequently would not apply for any raise, is barred forever from competition.

Mr. TURNBULL: Yes. There are two things which we might keep in mind. One is that this privilege, you might say, of getting himself in by a low tender is a privilege which is open to everybody. They can all try that device if they feel like it. That is one of the reasons "two years" were put in there. We wanted to discourage that very thing. We wanted to make him sweat it out for a couple of years, and if he goes on for a couple of years at a losing price

with no guarantee that he is going to get an adjustment, it would discourage that process. That is the reason for putting in two years. But, as I have said, everybody has the same privilege. Therefore, no man can get any big advantage over anybody else. If he wants to outsmart himself and lose money for a couple of years, anybody else can figure it the same way.

Mr. MACLEAN: But he does not have to lose much money. He might lose only \$10.

Mr. LANGLOIS: This legislation is permissive only. The increase is not automatic. He is not sure of getting it. He would have to wait for two years at a low price. So you see, there are two safeguards. First, he has to wait two years and second, he is not sure that after two years he will get an increase. So this should discourage ridiculously low tenders.

Mr. MACLEAN: Perhaps the point might be reached in a better way, and you might have a better safeguard if the practice were established of letting for tender contracts which had been up-graded. I know that would introduce the same objections all over again.

Mr. LANGLOIS: You see, the Rural Mail Couriers' Association object strenuously to that. They want the adjustment made without the contract being reopened. You can see that from the letters which I quoted at the beginning of this very meeting.

Mr. TURNBULL: If you will recall the discussion yesterday in the committee when this point was thrashed out, it appeared to be the general agreement on balance of trying to give some continuity in the service in fairness to the department as well as in fairness to the men. So, in order to avoid any injustice through automatic cancellation, it was felt that this would be the better way to do it.

Mr. MACLEAN: I was trying to protect the position of the people who have to administer this Act because it seems to me that they are being put in a very vulnerable position which might prompt people to accuse them of favouritism.

Mr. CARDIFF: Suppose a man tenders and puts up with his low tender for two years and then comes up for adjustment and his tender is adjusted. At the end of his term, at the end of the next two years, if he is satisfied with the contract he gets this, but he should come up for tender instead of your giving him another two years.

The CHAIRMAN: He would have to wait four years.

Mr. CARDIFF: Suppose he waited for two years and then got an adjustment. He then goes to the end of the term. His term then runs out at the end of the next two years?

Mr. TURNBULL: It is renewed at the same rate, not at the higher rate.

Mr. CARDIFF: I do not think that at the end of the next two years he should be eligible for another adjustment without going up for tender.

Mr. TURNBULL: He is not. There is no way of giving him a second increase under four years.

Mr. LANGLOIS: The Act is not changed so far as renewals are concerned. The Postmaster General has authority to renew a contract only on the same conditions that are in the expiring contract.

Mr. TURNBULL: He has to wait for four years.

Mr. CATHERWOOD: Does that mean that from the time of his renewal his time runs on for four years, and if he makes an application for an increase and gets it, he has to carry on for four years?

The CHAIRMAN: No, two years. He has to wait another two years.

Are you all agreeable to clause 4?

Carried.



This next part, clause 5, is the same as we have been discussing. Of course, as you may know, there are amendments to the Revised Statutes of Canada. That is, we are going to have new Revised Statutes of Canada. We were revising 1951 and we put this in for that purpose, for the revision of 1952. It is exactly the same.

Carried.

Clauses 6, 7, and 8, they are the same; also clause 9; they are all the same. Do they carry?

Carried.

Now, I am afraid that we cannot go any farther. We would like to put this through, but I think we had better wait to see if this brief comes in. I will call a meeting of the committee when we get the brief to discuss it, and we will then consider further problems. Is that satisfactory?

Mr. LANGLOIS: Could we not go ahead, not today, but at the next sitting, with the balance of the order of reference, with respect to general administration of rural mail?

The CHAIRMAN: That is all right. I shall take that into consideration when I get the brief and I will call a meeting. Are you agreeable to that? We shall adjourn now until, shall we say, tomorrow at 11.00 o'clock? All right. You will get notice.

The committee adjourned.

## EVIDENCE

MARCH 19, 1953.

11 a.m.

The CHAIRMAN: Before we commence the meeting may I say that when our meeting closed yesterday we had dealt with the bill and had got through with it, clause by clause, and had passed the clauses with the unanimous consent of the committee. But there was just one little matter which we did not want to hurry in any way. We left ourselves open so we could go back and consider it. It was in regard to the question of a brief, or any representation by the Rural Mail Couriers Association of Canada; and Mr. Cruickshank brought up the suggestion yesterday, to which the committee agreed, that we should get in touch with Mr. Webster and find out if he represented all of Canada and if he wished to make representations or send somebody here or something along that line.

I went to the telephone immediately after the committee and I called Mr. Webster at his home in Acton and Mr. Webster was not there. He has been ill, and I asked that he call me back as soon as he returned and they got in touch with him. This morning I telephoned him, or rather his daughter called me, and I told her of the discussion in the committee and she repeated back and forth to her father. I asked him through her if the organization of which he was secretary-treasurer represents the rural mail carriers of Canada, or does it represent just a small group. He said, through his daughter, that they have representatives from, and they represent, all of Canada. This was the answer I got; I asked him if he would send a telegram to that effect, that they represent the whole Dominion of Canada and he said he would. That telegram has not yet arrived.

I asked another question, as to whether he wished to send a brief to us or did he want us to go ahead. He in turn said, "What have you done", and I said that the committee after their meeting had passed the bill subject, of course, to a brief coming in, and he said, "If the committee members are satisfied with the bill as it is they should go ahead". And I went further—I told him that the letters he had sent to the minister had been read to the committee and were on the record. He said that if they were in accordance with the letters he sent and the committee was satisfied with the bill as it stood, he would raise no objections, and would not try to hold up the reporting to the House of the bill. Those were his exact words to me at half past seven this morning. He said he was ill, and it would take a few days to prepare a brief, and the brief would be no different to what the letters were. I want to know what your views are, as a committee, on that.

Mr. WARD: I am wondering just when a complete coverage of Canada was made by this organization, because I remember Mr. Webster appeared before a committee in this House, and then he represented only Ontario.

Mr. McCULLOCH: He told you he represented Canada?

The CHAIRMAN: Yes.

Mr. MONTGOMERY: Did these letters appear in the record?

The CHAIRMAN: Yes.

Mr. MONTGOMERY: And did they contain the—

The CHAIRMAN: He said that through her to me. He asked me one or two other questions—was the tender system still retained? I told him it was.

And was the lowest tender not necessarily accepted? And I said, "Yes, that was still in the bill". But I am at your disposal in respect of this.

Mr. CRUICKSHANK: I would like to add that in British Columbia I have not had representations other than by letter such as anyone else receives, but the only concrete suggestion was from Mr. Moss which I naturally accepted. I do not necessarily agree with their submission, but this is the only representation I have had through Mr. Moss in connection with this committee, and I would like to think that it is inserted in the record just to please that particular association. I accepted this, because I presumed the committee was sitting to consider these matters, and I agree we cannot hold off forever waiting for them to report. I know it has nothing to do with the bill but I would like a reaffirmation from the deputy minister on one thing. I realize he can only speak so far as his authority goes, but the point was raised by two or three of us, Mr. MacLean and myself in particular that if the department considered the tenders excessive there will be none of this finagling by any individual in the department and that new tenders be called for. I think you agree as far as that.

Mr. Walter J. Turnbull, Deputy Postmaster General, called:

The WITNESS: I think the point made yesterday by Mr. Cruickshank was that, if the tenders were too high there would be no question of inspectors, or anybody else acting on behalf of the post office, going around armed with the information in respect of what the tender was, and suggesting that "if you come down \$100 you would get it." All that should be done by the department is to inform all of them that the tenders are too high without specifying by how much, and then give an opportunity to lower them without in any way suggesting by how much. That is the point that was made yesterday.

*By Mr. Cruickshank:*

Q. I understood that if presumably five tenders were put in, and your department considered the tenders too high, then, after a period of a week, the department would inform them that all the tenders were too high, and they would be asked to re-submit tenders. That was my understanding entirely.—A. That will be done.

Q. What I mean is that the same five will be notified and they will re-submit in writing because, knowing human nature as I do, I do not trust anybody, and this ought to be put in writing.—A. That will be done.

The CHAIRMAN: I am going to read a telegram that just came in. It is addressed to me, dated March 19, 1953:

The Rural Mail Couriers Association of Canada was organized in 1935. First members from B.C. and P.E.I. in 1938. Every province now represented. S. H. Webster, Secretary, R.M.C.A. of Canada.

Mr. CRUICKSHANK: That is fair enough.

Mr. WARD: It is my experience, and I think this should be said, that the officials of the department have been very practical and fair in any of these problems that have arisen from time to time in disposing of them in the fairest and most practical way.

Mr. McCULLOCH: What other business is there?

The CHAIRMAN: Are you through with the bill now?

Mr. CRUICKSHANK: I wonder if you would read that wire again for Mr. Cardiff has just entered the room.

(Discussion continued off the record).



The CHAIRMAN: Now, the general administration. We want to discuss some other matters in respect of the rural mail couriers and the service generally, and the general administration; and there is one matter bothering us in the Province of Ontario as well as in some other provinces, and this is a more direct mail service to people who live on routes not directly served by rural mail couriers; and of course these people are rural—they are farmers—and naturally we are interested in doing everything we can to keep the farmers' boys on the land. Other governments are doing that in giving them service in respect of hydro, buses are provided to take children to the school, and everything is being done that can be done to help them. There is only one thing that has not been done in that way, and that is to give them a better service in respect to mail, and I feel that more money should be made available to the post office department so that they might be able to serve them better; and I feel we here this morning should consider that and discuss it from every angle. I do not want to be too high, wide and handsome, but it should be at the discretion of the Postmaster General to provide a better service for these people who are living off the main travel routes, set up away back in 1909 and 1910. I do not want to say anything more, but to place the matter in the hands of the committee.

Mr. McWILLIAM: I am very pleased to hear the Chairman bring this before the committee this morning, because I feel this is one thing we have not given enough serious consideration to. As most members know who represent rural constituencies we have services once, and sometimes twice a week—possibly some with only one service a week—but under today's standards that to my mind is not good enough service. These people all get daily newspapers and today the volume of mail has increased, and persons have to wait three or four days or a week to get their mail. I think we are not providing service to the people of Canada that we should provide. They look upon themselves as good Canadians, and they know the cities get daily service, and are probably going to get service twice a day, and they only get service once a week; so I fully concur with the suggestion of the Chairman, and I would like to go on record as being strongly in favour of it, because I have had many applications from patrons of the post office in my constituency that only have twice a week service and they have asked for an increase in service, and have asked that these requests be passed on to the department; and while I feel the department always does all it can, I suppose the matter of finance is involved. However, even if it does cost the department more money, it is money well spent. Service should be provided to the people who live in rural areas and, as I said before, something should be done in this regard.

Mr. ROBERTSON: I certainly would like to express my hearty approval of the suggestion made by the Chairman. In my own riding there are certain people who are, I believe, entitled to this service, but, because of the present post office regulations we are not able to grant it to them. I am sure the question of cost will be a very important factor, but, I believe these people living on the side roads in different parts of our country are making a vital contribution to the economic welfare of the country, and therefore we should give them every consideration in giving them as much additional service as we can. People living in other parts of Canada are being helped by the government. We have large housing operations being carried on, and a great part of the money comes from government assistance. The people in the cities are taking advantage of our large industrial developments, and we are providing them with good roads, and I think there is very little more we can do for some of these people. But I think we have an opportunity here of helping them, such as by giving them better mail services, and we certainly should do so.

Mr. FAIR: This discussion is a continuation of what I started yesterday, and so I will not repeat many of the things said, but I think it is very

important that our farmers should have a better service. At the present time we have about 20 per cent of our people on the land, and about 15 years ago the rate was more than 30 per cent, and I think this is a matter for members of the House because there are some reasons for people leaving the land. I am fully aware of the fact that modern machinery makes it possible for fewer people to do the work that was done before by a greater number, but at the same time conditions on farms should be improved by the provision of hydro electricity and bus routes for school attendance. In this connection I think the post office has a duty to perform also. I fully endorse and concur with the statement made by the Chairman a few minutes ago, and I hope in these districts where today they are receiving only two mails a week that that will be stepped up to at least three, because it does not look right that the fellow on the land should be worse off than the people in towns and cities. It is not right that he should have only two mails a week, and in many cases no mail at all, for he has to go to the post office for it, and the mail boxes are two, three and sometimes four miles from his home. I hope the committee will recommend that the Postmaster General fall in line with recommendations for improvement.

Mr. GARLAND: Mr. Chairman, without making a speech, I would like to concur with the views expressed by all of those who have spoken this morning. I think most of our ridings are in the same position, and the time is certainly here when everyone should have a daily mail delivery. These are my views, and I have made them known to the department, and I must say I have been reasonably well received. Naturally not everyone gets the kind of reception he expects, but certainly the day has arrived when everyone in this country should be able to get the mail delivered daily. That brings us of course to the question of cost, and I wonder if the department has any figures on the frequency of the service. Is it broken down as far as the routes are concerned in this country, and do they have any projection of the cost if it were speeded up to a daily delivery. Are there figures available in this regard?

Mr. LANGLOIS: The figures showing the frequency of the rural mail service by postal districts were tabled before this committee at its first sitting. The record has not been printed yet of that sitting.

Mr. DINSDALE: I believe Mr. Boyle gave us some formula the other day for frequency of mail delivery in rural areas. Did you not Mr. Boyle?

Mr. BOYLE: Not exactly. It is a matter of cost.

*By Mr. Dinsdale:*

Q. We were talking about the number of boxes required per mile.

The WITNESS: What you may be thinking about is this, when we were talking about the number of boxes required per mile and I mentioned the figure of four per mile, I added that where the service was less frequent than six times per week, then we would lower the requirement for boxes. I think that is the point you were thinking of?

Q. That is the point.

Mr. CRUICKSHANK: Can we get an estimate of what the cost would be if all rural mail routes were brought up to a daily frequency?

The WITNESS: We can give you an approximate estimate on that. Mr. Boyle wants to be very precise. It is \$1,460,000.

Mr. CARDIFF: Has this got anything to do with the service to side roads where there is less than the required number of boxes to the mile?

The CHAIRMAN: Yes, that is the intention. That is what I brought up.

Mr. CARDIFF: There was nothing said to that effect.

The CHAIRMAN: What I said was that I felt that some effort should be made to give better service and I referred, of course, to people who live on side roads or concessions not now directly served by mail.

Mr. CARDIFF: Yes, I know, but are you going to make them come up to the requirements of three, four or five per mile? There are a lot of side roads in this country that have not been served, and many have to go to the corner to get their mail, and a lot of requests have come in for extra service which, up to the present time, have not been granted. Now, if you are going to extend that service to all these side roads where there is perhaps only one or two on a side road, you are either going to have to give it to them all or you are going to have to specify what you are going to do, or you are going to run into plenty of trouble again.

The CHAIRMAN: What I had in mind, Mr. Cardiff, was that we should consider it. What I had in mind was that we should have a discussion on it, consider some better service to give them, say, everybody over a quarter of a mile would receive mail. You have to specify something of course. You have to give it to everybody, or everybody over a quarter of a mile, or something, and to do that we will have to revise the regulations in some manner.

Mr. CARDIFF: I have no objection to it except that it should be specified, or you are going to run into difficulties.

Mr. LANGLOIS: Perhaps the deputy minister could explain the regulations covering these extensions.

Mr. CARDIFF: Is there any standard or any regulation with regard to the meeting of trains by rural mail carriers, with reference to the time that these carriers leave their post office to start their route? I have one case in mind, in particular, that I am going to bring to your attention in a moment when I get a few questions answered. I am going to cite this, but I am not going to tell you where it is. I am told that there are three mail routes out of this particular place, and one carrier leaves at eight o'clock in the morning before the Toronto train comes in, and the other two do not leave till after 10 o'clock, till after the train comes in. Is there anything that makes it necessary for this carrier to leave at eight o'clock in the morning on his route and thus have the box holders he serves wait a day before receiving the daily paper? I might as well say that is in Arnprior, not very far from Ottawa.

Mr. McWILLIAM: I think we should deal with that a little later.

Mr. CARDIFF: Well, this refers to mail service.

Mr. BRYCE: Mr. Chairman, there is one thing we have not taken into consideration. You have in this part of the country back concessions and side roads where you have a lot of people living, but on the prairie conditions are different. On the prairie you only get a farmer every mile or so. That difference would have to be taken into consideration. Are you going to give these people living on the prairies an equivalent service to what you are going to give in a more congested area?

The CHAIRMAN: All these things have to be taken into consideration, of course.

Mr. BRYCE: I was just drawing your attention to it.

Mr. CRUICKSHANK: They get so many copies of Hansard out there in a bunch that they can't read them all at once. That is why they want a daily service.

Mr. LANGLOIS: It might be of advantage for the committee if the deputy minister was to give a background outline of the organization of the routes, and how the extensions are made.

Mr. CRUICKSHANK: There was a question asked on that.



**The WITNESS:** Believe it or not, the Post Office officials do not like saying no. They get so much money to carry on a big business all over Canada. They get that money voted by parliament, it is true, but out of mail users. We have followed the policy of trying to stay within revenues. You can never do so exactly. Sometimes we find we get a profit and sometimes a loss, but, by and large, the policy is to try and have services paid for by users rather than impose it as a tax through income taxes or other devices. In other words, we have not followed the practice of the United States deficit financing, where they now find themselves with annual deficits of almost \$800 million a year for postal services. Now then, since we have to stay within a certain amount of money, we must, unless we are going to do it by mere whim or by pressure, try to set up certain standards. Any standard that you set up can be altered. Any standard is, by the nature of it, an artificial standard. A yard could be just as well 37 inches instead of 36 inches if that was accepted. In the same way, our regulations could equally be changed, but when we change them we have to consider the impact on the postal dollar. Confining this to rural mail service, there are three things that can be done to improve it, provided it is considered proper to do so and we get the money to do it with. Those three things are, first, extending services where no service now exists. These people are also mail users, are also Canadian citizens, are also living on the land, and we would like to keep them there; but because of distances, because of roads, and so on, they do not get any service to their doors at all. I imagine they look with considerable envy on the farmer in Ontario who gets service within half a mile and gets it every day, or twice a week, or even once a week, since they do not get it at all.

The second question is that of frequency. Should we ignore these people, or after taking care of them should our expanded expenditures go to increased frequencies, should we bring them all up to the level of a daily service. That will cost us on the basis of the service as it now exists today, with no extensions, no question of going up the side roads, \$1½ million—\$1,460,000 are the figures we have down here. The next thing is, are we going to start going up these side roads and change the present regulations. Under the present regulations, we will not go up side roads unless there are four people to the mile, and if anybody lives within half a mile of the road he is considered to be on it for practical purposes and is required to erect his box somewhere on the route. Now, that regulation was put in for three reasons. It was put in because it introduced some measure of financial control; the second thing, it conformed to the standards set up elsewhere in regard to proximity of post offices, suboffices, and so on; and the third thing, and an important one, it was done to permit us to give a decent service over the routes. Men start out on their routes, generally speaking, as soon as the mail is ready. There are some exceptions—and it may cover the case you raised this morning, Mr. Cardiff. Perhaps that man is also required to take mail to some other post offices and in order to get mail there at a decent hour he may have to leave before a second train arrives, or a certain train arrives. The thing must be done on balance. We cannot be waiting for trains, at the same time waiting to get earlier mail in the post offices. As I have said, generally speaking, he starts when the mail is ready. We cannot determine when the mail comes in. That is settled by train times. It is also considered that he must be able to complete that route before dark. The question of road hazards comes in, and the question of the ability after dark, to find boxes, and read names on them. I think that may be a relic of the horse and buggy days, but still, in the main, these men like to get home so that they can get a decent meal before it gets too late. So that within that relatively, in some cases, narrow compass of the arrival of mails and the delivery before dark, there is only so much time. If these couriers are required to go up the numerous side roads, they will not be

able to do a job, and I would think you will get more complaints about service, because the service will deteriorate, not improve. It will improve to the extent that these people will not have to go that half-mile, but it will deteriorate progressively along the route as that man arrives later and later and later. In some cases the routes will be split, and in some cases they may not be served till the next morning, but it does boil down essentially to costs. The only thing we have in the Post Office estimates of increased costs is under this one item of greater frequencies and it amounts to \$1½ million.

Mention has been made of newspaper postal service. I must admit that there is perhaps a little emotional thinking among the post office officials when that subject comes up. The newspapers, even after an increase was put into effect in 1951 for handling them, still pay next to nothing for the service they get. This handling brings about a deficit of about \$13½ million annually. Now, we all shudder at the idea that we may have to spend many more millions of dollars just to carry these newspapers at a further loss. If we could recover these costs, of course, we would be much more charitably inclined, but we have only so much money to spend. We try to spend it as fairly and as equitably as we can. If we got more money we would be delighted to spend it and we would be delighted to spend it on the farmers for the very reasons stated, but where do we get the money? And, again, what is the committee's views about priority? Are we going to concern ourselves first about the fellow who is to go half a mile at the expense of the fellow who only gets service twice a week, or who does not get it at all? I would think myself that the last person who needs consideration is this half-a-mile fellow. I was brought up and still live in the country, and I cannot find myself greatly concerned about travelling half a mile.

Mr. MACLEAN: Mr. Chairman, to supplement what the Deputy Postmaster General has just said, would he have any figures or estimates which might give us a better idea of the magnitude of the problem, broken down by districts? Could he give us some idea of the people who are not served at all by a rural mail service, or are not within a certain distance of post offices, and also the ones that have less than a daily service? I was concerned chiefly with the percentage of people who do not have any rural mail service and who live in the country. There was one other comment that I would like to make for what it is worth. I have had newspapers approach me in my riding, dailies, and they take great exception to the fact that they have to compete with radio. The argument is based on this, that conditions have changed in the last two or three decades as far as newspapers, and especially small dailies and weeklies, are concerned. Thirty years ago they had very little competition and if a person wanted news, the only way to get it was to subscribe to one of these newspapers and then wait until it was delivered. Now, these small newspapers say that they continue to bear the charge, although it may not be the full cost, but they argue that they bear some proportion of cost of having their newspapers delivered through post offices, and at the same time the government is subsidizing what they consider to be a competitor in the way of radio broadcasting to a large extent. They take objection on this ground. Now, that argument may be considered far-fetched, but after all the radio is a medium of getting information and news to rural people, and they not only do not pay anything for it, but that is paid for, as far as the Canadian Broadcasting Corporation is concerned, completely by the taxpayer, whereas their medium of getting news to the people has to be self-supporting, and pay at least part of the cost of having their papers delivered. On the basis of that, they claim that the situation has changed somewhat in the last 30 years.

Mr. NOSEWORTHY: I think Mr. MacLean has intimated that the people who are profiting by this \$13½ million deficit are the small newspapers. I wonder if the officials, or Mr. Turnbull has any breakdown of that deficit. I have a

hunch that it is the large metropolitan dailies that are going out into the rural areas of Canada in competition with the small newspapers, and that there is far more competition from these large metropolitan dailies, which are subsidized through this deficit, than there is from a subsidized radio. Is there any breakdown as to how this loss is incurred?

The WITNESS: I feel something like the fellow who got hold of a couple of wildcats and wanted somebody to come along and help him let go of them. I did not suppose in bringing in this somewhat brief reference to the newspapers that we would get shifted over onto a committee to discuss newspaper rates, and I hope you do not mind if I hesitate to plunge into the middle of that. I do not, however, like Mr. MacLean's remarks to go unchallenged. Times indeed have changed, but our costs and the revenues we receive have not changed proportionately, and we are indeed doing much more for newspapers than we have ever done before. When this original idea of subsidized rates and even free service was instituted, there was no such thing as costly rural mail services at all, and I am sure that if there had been any thought of it they would not have been given these privileges. Mr. Noseworthy, we give free distribution to these country weeklies, completely free distribution.

Mr. McWILLIAM: Within a certain area?

The WITNESS: Within 40 miles of the place of publication, and if the circulation does not exceed 10,000. Now, that takes in a considerable area, and it does provide somewhat of an answer to this comment made to you that in some way—am I supposed to defend the government?—there is something being done for the radio people that is not being done for the newspapers. As far as the post office is concerned, we do plenty for them.

Mr. MACLEAN: I realize that. I am bringing up the argument as it was presented to me, for what it is worth. The small papers, though, are finding it more difficult to survive.

Mr. LANGLOIS: They are distributed free. Can we do any better than that?

The WITNESS: I am sort of usurping the powers of the chairman, but since I really started this thing perhaps I should dig myself out by asking you not to get us involved in a discussion over newspaper rates as such, other than to say that since we are in difficulties it is a little hard to suggest that they should be used as a lever and move us still further into an uneconomic service. We get our money either by revenue or by smart business operations, which we are trying to do all the time and for which I frequently get rapped over the knuckles—I do not mean by men like Mr. Langlois, but in criticism voiced in certain quarters. If we can make money or save money we will use every nickel of it to improve the service to the Canadian people with a good percentage of it going to farmers.

Mr. CRUICKSHANK: Can we get an answer to the question as to why postal department deliveries cannot be increased?

The WITNESS: I said it would depend on the cost. The cost would be one and a half million.

Mr. LANGLOIS: Have you got the information tabled by Mr. Boyle, on frequencies?

Mr. BOYLE: We gave the frequencies by postal districts.

*By Mr. Cruickshank:*

Q. I know we were discussing it.—A. You want frequencies?

Q. You gave for instance the other day the number of postal deliveries.—

A. The number twice per week?

Q. Yes.—A. Mr. Boyle has it.



Mr. BOYLE: We have the details here as regards four trips per week. Vancouver has five such routes, North Bay district one, Montreal one, Quebec two, Saint John six, Halifax six.

Mr. ROBERTSON: What is the total?

Mr. BOYLE: Twenty-one. That is four trips a week.

The WITNESS: May I point out that in some of these cases the service is not restricted because of any action on the part of the post office department but because the train service only runs two or three times a week, and in such instances that is the reason for the restricted service. There is no mail going into the territory, and there is no use having a man go for it unless there is something to get.

Mr. BOYLE: Three trips per week: Vancouver 9, Edmonton 46, Calgary 22, Saskatoon 8, Moose Jaw 3, Winnipeg 88, London 2, Toronto 5, North Bay 40, Ottawa 23, Montreal 19, Quebec 36, Saint John 83, Halifax 32; and the total for Canada is 416.

Two per week: Vancouver 11, Edmonton 118, Calgary 47, Saskatoon 101, Moose Jaw 40, Winnipeg 46, North Bay 4, Montreal 1, Saint John 1, Halifax 4. The total for Canada is 373.

Mr. CRUICKSHANK: To be fair about it, I would presume that in Vancouver most of this is caused by the trains or boats. I think the boats have a lot to do with it.

Mr. LANGLOIS: Yes, the boats have.

The WITNESS: We did not give you once per week.

Mr. BOYLE: Vancouver 7 and Saskatoon 1, that is a total of 8.

Mr. MacLEAN: Is that figure you gave of approximately \$1½ million the amount required to bring these routes within the daily service up to the same frequencies as there are services available?

The WITNESS: We have not broken it down as to whether it is caused by the train or not. But suppose we brought them up to daily service, it would cost \$1½ million.

Mr. ROBERTSON: I do not quite understand. If you take this \$1½ million and divide it by the number of routes it comes to a total of \$2,000 per route to each service. I cannot believe that is true. The average rate is far below that.

The WITNESS: Dr. Robertson, you cannot determine the cost by simply looking at the number of routes. One route may be \$3,000 and the other may be \$200. What we have done here, to give you that picture, is the cost per annum of a service twice per week. By the way, the cost of the service now, twice per week, is \$258,084.46. If you take the cost twice per week, and multiply it by three then you have a cost approximately \$780,000. The cost of three trips per week \$339,971.19 and multiplied by two you get \$680,000. Add these together and you have \$1,460,000 or approximately \$1½ million.

Mr. ROBERTSON: How do you divide the cost?

The WITNESS: These are the costs, and we prefer to have the actual cost and use that rather than take the theoretical distribution according to the number of routes.

*By Mr. Ward:*

Q. These are based on present costs?—A. Present and actual costs as they exist now.

Q. No doubt there would be considerable adjustment?—A. As a result of the bill, yes. We are taking an analysis now.

Q. It seems to me it is important that we keep in mind these costs might jump?—A. They will.

By Mr. Garland:

Q. May I have an answer to my original question on whether you have any figures available on what it would cost to provide service to areas not now receiving service?—A. There is a difficulty there in that with the people who do not get service there is no record kept and we do not know the number who do not get service. Mr. Fair mentioned sometime back the percentage of people on farms—you said something like 30 per cent, Mr. Fair?

Mr. FAIR: It was 30 per cent sometime ago.

The WITNESS: What is it now?

Mr. FAIR: 20·2 per cent.

The WITNESS: We have the number of rural boxes and some of these boxes serve more than one family. In round figures it is 400,000—397,084—400,000 I think we can call it. At the usual figure of four people to the household, which I think in the case of these people would be rather low rather than too high, you get 1,600,000. The population in Canada as I think the next figures are going to show will be 15 million. If 20 per cent are on farms you have 3 million people on farms, and these figures of course are as rough as they can be, in which case we serve 1,600,000 or little better than half of them.

The CHAIRMAN: But thousands of these people are suburban people, not farm people at all.

The WITNESS: That is quite true, but by the same token a tremendous number of these farmers have post offices close to them, and in some cases people are not always howling for rural service. We get many petitions protesting against the introduction of a rural service. They do not want it, and we have to discount this.

Mr. McCULLOCH: The trouble is that the postmaster in a small community has only \$100 a year.

The WITNESS: He does a bit better, but you are right, he does not yet much.

Mr. McCULLOCH: I know a lot have given it up on account of that.

Mr. McWILLIAM: I would like Mr. Boyle to check these figures for me. You say Saint John district—that includes Prince Edward Island?

Mr. BOYLE: Saint John generally includes the Island.

Mr. McWILLIAM: Now, you said the number of services was four times a week. What is the total number of services—four times a week? Six?

Mr. BOYLE: Saint John four times a week is six.

Mr. McWILLIAM: And three times a week is 83?

Mr. BOYLE: That is right.

Mr. McWILLIAM: And the number of twice a week I got the figure of one. Is that correct?

Mr. BOYLE: Yes.

Mr. McWILLIAM: I cannot see how—I will have to check it—but to get back to where we were regarding the frequency of the rural services. I know the cost is a very important factor, but it seems to me it should not be too important a factor because as we all know there is a necessity to provide a service to people who are not revenue producing like the post office. But all these people who mail letters and parcels must pay for them. For instance, I know of an area that is not restricted in any way by train, trains come in daily, but in many places if you mail a letter on Friday and when it covers a distance of 25 miles, or in some cases less, that letter will not be delivered

until the next Tuesday afternoon at the place of destination and it seems to me we are away out of line. I quote that example because I think it should not be based altogether on costs. In my opinion I do not think we are providing the standard of service we should be providing for the people in the rural areas.

Mr. MONTGOMERY: Mr. McWilliam has drawn attention to an important point. I have a large rural area and I wonder if Mr. McWilliam faces the same problems as I do. In some of these rural areas, apparently according to the regulations of the Department—and I am not finding fault with them because from their experience they must know what is best—but the route must start from the rail head which means a loss of time. By the time the mail driver waits until the train comes in, and the time he gets back at night, that mail lies at the rail head for twenty-four hours before it can go out and this causes considerable delay in the delivery of the mail, whereas if the rural carrier could start his route—. Quite often in the past in my particular area I have had complaints about this. There is nothing I can do. I have not even passed them to the department, because they have explained to me and I have explained to these people that that was the regulation, but if a man tenders for a route and he lives at the end of the route, apparently he stands very little chance of getting one, because he has been informed he must start his route at the rail head—that is he must drive clear in to the rail head where he gets his mail and he goes back, and if he is going to pick up mail according to regulations he picks it up on the way back for delivery. He then picks up the out-going mail and as I say there is considerable complaint about that in some areas, and it holds up the mail at least 24 hours. I have one particular area in mind, and I do not know whether there is anything the department can do.

Mr. BOYLE: In our operations we start either at the rail head or at the outer head, depending on the best way to expedite the handling of the mail. Another factor is the cost. Sometimes it is cheaper from the outer end. We do have a rule, but it is not fixed, and you can start other than at the rail head.

The WITNESS: In some cases the distance is not a bit greater. Here is a man at the end of the route, and so he comes into the train on one trip, and on the way back home he delivers the mail and then he is back at his home. The other man who lives near the train has to go out and back and he has to cover the same ground.

Mr. MONTGOMERY: But the man at the end of the route picks up the mail on the way in. I was informed by your department that was against the regulation, because according to the rule of the road, mailboxes must be on the right-hand side of the road, and the R.C.M.P. were warned to see that the mail drivers maintained that regulation and that it was necessary in all rural areas to start at the right-hand side of the road. It is true there is no more distance to travel, but it does hold up the mail in these particular areas, for, by the time he gets back the train going south has gone for the day and that means a delay of 24 hours.

The WITNESS: Mr. Montgomery, I hate to admit these things, but when you are in any kind of big organization you always must have some regulations and you find people who will not turn round without looking at the rule book, and we cannot say do not look at it or some of them will do something silly. The regulations are never intended to be hide-bound or to prevent the exercise of some common sense. When these things are brought to our attention, to the degree that we have common sense, we consider them on their merits, and there is no iron-clad regulation of the kind you mention. It probably applies in most cases that a more expeditious service can be given by getting the mail as soon as it arrives and to start delivery, but if you have



cases where something stupid is being done, please let us know and we will try to untangle it.

Mr. LANGLOIS: Is it not a fact that in many instances these contracts are advertised with the starting point optional?

The WITNESS: That is right.

Mr. FAIR: It should also be understood that the rural mail service is for the benefit of the patrons on the route, rather than for the contractors.

Mr. ROBERTSON: When was the last revision of the regulations? Have you any idea? As I understand it it has not even been changed.

Mr. CRUICKSHANK: But there is discretionary power within the right of the Postmaster General to cover the distance from the post office to the station and the station to the post office.

The CHAIRMAN: Has anyone else anything to ask?

*By Mr. Dinsdale:*

Q. Just a general question. Apparently the cost of post boxes to rural route people was doubled recently. What is the information on that?—A. Not only have we not doubled it, but we have not increased it at all, though the cost of manufacture has been going up.

Q. Maybe I have not worded the question correctly. It is— —A. I know what you are thinking of. Here is a time when we start calling on parliamentary rules. I do not mind, I am not trying to side-step. I am not saying it is outside my scope but what you are talking about is the locked boxes in post office which have nothing to do with rural routes.

Q. To people living on rural routes.—A. All that is done is the application again of a regulation of long standing. Box service is supposed to be provided for the people of a community and when an outsider strays in there is a certain penalty on him for trying to get a dual service and that penalty is that he will have to pay more for the dual service.

*By Mr. Cruickshank:*

Q. Why?—A. These services are all costly. Here is a man living on a rural route, or rather take a man who is living in the city, and in the city there is a letter carrier service set up to serve him, and he wants a second kind of service; he wants to have his mail sorted in a box because it suits him to get some of his mail there. We say, it has been set up at great cost and if you want a dual service, you should contribute something extra towards the cost.

Q. I will not mention names, but I know one man in the insurance business and like all lawyers—he is not a lawyer, but he helps people to dodge income tax, and he does not want his mail on the rural route, he wants a box in town for you cannot have confidential mail on a rural route.—A. Is he on it?

Q. He is, but he does not want it.—A. He is on the route, but he does not want to be served on the route.

Q. Yes, he wants a box in town.—A. I will get scolded by departmental officials for saying this, but in a case of that kind providing it does not involve us on getting a declaration and so on, I personally can see no reason why he should not be treated as a towns person and get the same treatment. There is a case which came up on the Powell River where, because of lack of housing, company controlled housing, or the like, many of the professional people operating at Powell River do not live there but live in other communities and they protested against it and we examined the matter and decided that they should be considered as bona fide residents of the community. We are prepared to consider all these cases on their merits, Mr. Dinsdale.

Mr. NOSEWORTHY: I take it anyone living on a rural route can request their name be taken off the route and can get a box in town at the same time.

The WITNESS: That is right, but I want to do a little bit of hedging there. If at any particular time in this period of expansion there are shortages of boxes, we still think that the people who are now in a town and have no option on rural routes should have first claim on post office boxes because they cannot pick up from rural boxes; and I do not think that is unreasonable.

*By Mr. Cardiff:*

Q. Is there any price to pay on that?—A. There is a price depending on the size of the boxes. There are three categories, A, B and C. There are some available at certain sizes, and there is a different price for each box.

Q. Did they not go up in price recently?—A. Yes, some little time ago, but what caused this little furore has been the tightening up of the regulations so that a person could not get a dual service without paying extra, but that was brought about by a sudden mushrooming of the demand, and boxes could not immediately be provided, and we said, I think rightly, that the local fellow gets first call, and the outsider takes his chance. It is the same thing in schools where a person coming in from outside pays local school fees.

*By Mr. Cruickshank:*

Q. In that connection as a matter of information, I know there is a shortage of boxes, and I agree a local man should get it, but why is that? I would like to know.—A. I do not object to your question, but it is just that these things kind of lead us on. The expansion in Canada has been absolutely startling, and, as you all know, we have been literally bursting at the seams, and we are just in that position the same as anybody else that we have not adequate facilities. People come in and the post office becomes a little too small for that place and there are not many places available for building. We try to get them built, but just so much building can be done and we are always just one jump behind in buildings where the growth is phenomenal and that occurs in hundreds and sometimes thousands of communities in Canada.

Q. Why cannot the post office provide more boxes? The treasury could help.—A. We are not trying to blame the treasury.

Q. I am.—A. I must admit that if anything is wrong it is not the treasury's fault. First of all you have to order boxes, and it takes time to get delivery and sometimes we wait months.

Mr. McCULLOCH: Are they done by a certain manufacturer?

The WITNESS: No, they are ordered by public tender, but they are not sitting around to make post office boxes. They require steel, and during the period when the supply of steel was limited there were other things which were considered more important. They said we had to get in line. After we buy them, there is still the question of where to put them. If a post office is small you have to put them in a place where there is space enough.

*By Mr. Cruickshank:*

Q. I have a post office where there are two whole walls vacant.—A. We get them through the public works which supplies the boxes, and they are sent out. That post office you mentioned is only one of dozens of post offices equally clamoring for post office boxes. It is like a hungry child.

Q. I am not saying my riding should get them, but I want to know the reason.—A. It is difficult to get them, and the supply is still not meeting the demand.

Q. Is it lessening up now?—A. It is, we are catching up.

*By Mr. McCulloch:*

Q. In regard to putting the names on boxes throughout the rural districts, when they are new the letters are so small you can hardly see them, and if the names could be printed on these boxes throughout the country it would tell where that man lives, and furthermore it would pay the community themselves.—A. I do not think that the stencilling is very good. We even have prices on plates—these name-plates—where there would be a black background and coloured letters, and we have obtained prices on that, but I cannot promise that we are going to rush into it, for again it is mostly the dollar, and some individuals say, "Never mind the fancy name, just get up the box".

Q. I think farmers themselves throughout the country, that is people who have boxes should take an individual interest in them and put the names on them.—A. Some farm groups and some service groups are making a local drive on that, and they have had quite a bit of publicity, but it seems to me to be the old story of somebody telling me to paint my fence and I do not do it.

Q. They want the government to do it.—A. Yes.

*By Mr. Coyle:*

Q. Is there any standard for mail rural carrier boxes as regards size?—A. We simply supply the boxes.

Q. I have heard quite a few complaints about the boxes being very small, and if you get large mail the boxes won't hold it.—A. There were small boxes a long time ago, but they were not very popular, but if they want to buy new and large boxes it is up to them.

The CHAIRMAN: Tell me what is the cost.

The WITNESS: \$4.

Mr. McWILLIAM: Mr. Chairman, I would like to ask a question, and I think it will be of interest to the committee. It is in regard to the policy of the department on the matter of rental that is being paid for the use of a private home, or the use of a room in their house, as a rural post office. Is there any set rate on that? I know some of them seem to be ridiculously low, something like \$10 or \$12 a year. It seems to be very low.

The WITNESS: Mr. McWilliam, I do not mind answering any question at all to the best of my ability, but I am still sort of wondering if by answering I am really going outside the scope of the committee. I do not mind doing it, but every time I feel I am stepping out of the scope of the committee. I do not mind answering it, though.

The CHAIRMAN: I may be letting committee members go a little afield from the scope of the committee, this morning, but we are having a discussion on general administration of the post office, and if we have it here we may not have it in the house. I may be wrong in doing it, but we are doing it.

Mr. NOSEWORTHY: Mr. Chairman, where are you going outside the scope of the terms of reference?

The CHAIRMAN: The bill that was referred to us was to give a raise in pay to the rural mail carriers.

Mr. LANGLOIS: And general administration of rural mail service.

Mr. NOSEWORTHY: I think our terms of reference are much wider than that. They were read to me on the first day the committee met, and it would appear that anything pertinent to the administration of the department was within the terms of reference.

Mr. LANGLOIS: No, no.

The CHAIRMAN: No, no.



The WITNESS: I do not mind telling Mr. Noseworthy or Mr. McWilliam that this question of rental allowance goes back a long way. The postmaster was paid a certain percentage on his revenue to operate the post office, and included in that was a rent allowance which was based solely on the percentage of revenue. It was considered that the revenue would reflect the physical volume of business, that a man who had \$100 worth of revenue would be doing half the business of a man who had \$200 of revenue, and that would affect the amount of space. We changed that and put them on a monthly payment basis and, at the same time, we fixed the rent allowances which, again, were still based on the size of the office.

Mr. McWILLIAM: On the size of the revenue?

The WITNESS: Yes, but that was indicated by revenue, and to a degree there is still that artificial aspect about it, but when you get to the point where you can measure the space—if it is not the corner of a grocery store—then a figure is arrived at as to what is an actual rent, what is a reasonable allowance for a square foot, but generally it is done on pretty much of a fixed basis, depending on the size of the room.

*By Mr. Robertson:*

Q. I think we should consider the farmer a lot more. We should give more favourable consideration to the farmers. By way of comparison, take the fact of people going to summer camps, moving from the city to summer camps, and the post office immediately gives them service. They have service at home in the city and also at their summer camp. Do you not think that if we are not willing to give better service to the farmers we are discriminating against them in a degree?—A. That, Doctor Robertson, is of course, as you probably expected it to be, a rather ticklish one. In most cases those summer camps where we establish summer offices turn in a very considerable amount of revenue to us. The people there are not merely getting mail, but they are also posting it. They are sending out dozens of cards saying "Wish you were here", and all that, and I would say offhand that the operation of these summer offices, aside from disposing of mail which otherwise would lie around undelivered in post offices or in letter slots is a revenue producer. Furthermore, you must remember they are not always city people who go to summer camps, by any means. It is not an unreasonable source of revenue. When we speak of dual service, we are speaking of the man being able to get his mail regularly. This summer camp dweller is a displaced person. If a man moves from Ottawa to Winnipeg, you might say equally that we are giving him a dual service.

Q. You are paying the cost of providing service to him in Ottawa and, in addition, you are providing extra service for him there.—A. These summer offices are real communities that grow up and flourish each summer and die down in the winter. They are not merely city people. They include the occasional town dweller, and include many, many people from the United States.

Q. I do not object to that service, but if we do that for one section of the people, we should do more for another section.—A. We are not in any way quarrelling with the idea of better service everywhere in Canada, but we have to get right down to the fundamentals which I mentioned. It costs money and we have only so much money, and in some cases we spread it out very thin, but we try to see that every section is benefited by some of it, that each member of the family gets a bit of shelter and a bit of clothing. Some of them get a little more than others. We are just like the father of a big family who sees himself pinched, and he would like to do better for his children, but he cannot do it for every one.

*By Mr. Cruickshank:*

Q. Suppose that a summer camp colony of, say, 60 people builds up in the summer, and there is a local store there, and he handles the mail for the three months? Is it possible to have that store keeper get some remuneration from the Post Office Department?—A. These summer offices, yes—and, mind you, we do not establish summer offices just every time a few people gather at the beach. If there is an existing service nearby, they go and get their mail there. We only do it when it is necessary, to pick up a bit of revenue and to give some sort of decent treatment to people. Now, you ask if this man gets paid for summer service? Yes, he gets paid.

Q. The particular office that I have in mind is eight miles from the nearest post office. The store-keeper in the summer looks after some 75 families. Would it be possible for him to get paid? I mention that because that is where my summer home is and he raised hell with me about it.

The CHAIRMAN: Surely a farmer has not got a summer home?

Mr. DINSDALE: That brings another question to my mind. What is the position of the rural mail couriers in regard to the extra work involved in handling the Christmas mail? Does he cover that out of his remuneration?

The WITNESS: He takes the Christmas mail and the summer mail as it comes. In other words, he takes the good with the bad.

Mr. CRUICKSHANK: I may say that cottage I referred to is my sister's place.

The WITNESS: As you know, and that is the whole purpose of this bill, the system is just as rigid as it can possibly be. When he contracts, he contracts for the good weather or the bad, the heavy mail and the light, and that is the way it is.

*By Mr. Dinsdale:*

Q. So it is only at established post offices that they can hire extra help at Christmas?—A. Yes, if any man is a contractor, he has to work out his contract even if it occasions extra work.

Q. Could a postmaster in a town not take on extra help if he could demonstrate it was necessary?—A. That is true, because they are not tied down by contract.

Q. What is the principle of this Christmas hiring? Is it in the discretion of the postmaster?—A. Can a postmaster just rush out and hire someone? No. He has to establish his needs, and it is harder than the rich man going through the eye of a needle. If he is really overworked and cannot handle the service, then the department will grudgingly say, "It is all right, take on a fellow for three days before Christmas and one day before New Year's". I should not say that in front of Mr. Noseworthy. He will say we are grinding down these poor fellows. You will not hold this against us when we come up with our estimates, Mr. Noseworthy?

Mr. NOSEWORTHY: What extra help is given him at election time?

The WITNESS: We consider that comes so rarely we do not have to worry about it.

Mr. CRUICKSHANK: Saskatchewan people are getting that kind of mail all the time!

The WITNESS: It is like any other man's job—and I am including a member of parliament. There are some days the work is terrifically heavy and other days it is not so heavy. There is a certain amount of give and take in all these jobs.

Mr. MONTGOMERY: Is it within the scope of this committee to make recommendations along the lines we have been discussing? From this information given us by the deputy minister this morning, it is pretty clear, at least it is to me, and I hope, at least I think it is pretty clear that the department is run very

economically and very carefully, and that if we expect to make a service available to the people they will have to pay for it, unless parliament is going to have to vote more money for the department. Now, what I am coming at is, is it going to be within our scope to make recommendations back to the house as to whether we recommend more money be given to the department to carry out these services?

The CHAIRMAN: That is a very fair question, Mr. Montgomery. I think I should answer it. My own feelings—if you are all through with the general discussion—are that I would like to meet the steering committee and then have one more meeting here. There may be something come up. I do not want to close this. We went along very rapidly and I appreciate very much the co-operation we received from the committee, but I would like to leave the subject open and have a meeting of the steering committee to discuss that, and have one more meeting, and if there is something else on your mind we will be able to discuss it, if that is agreeable to the whole committee?

Mr. LANGLOIS: Your question, Mr. Montgomery, should be taken up again when we meet to draw up the report that this committee is going to make to the house.

Mr. MONTGOMERY: That is why I raised the question here.

The CHAIRMAN: If that is agreeable to everybody, we can adjourn now.

Mr. LANGLOIS: I make a motion that the bill be reported to the house.

The CHAIRMAN: We will have to carry the title to the bill. Clauses 1 to 9 have already been carried.

Are you all agreeable that the title of the bill shall be carried?

Agreed.

Mr. Langlois moved that the bill be reported to the house. Are you all agreeable?

Agreed.

As soon as I meet the steering committee I will call a meeting a little later.

If somebody has something on his mind, or if something comes up over the week-end that I feel should be discussed in the committee, I will get in touch with the officials of the department, if that is agreeable.

The committee adjourned.













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Act to amend the post office  
HOUSE OF COMMONS

Seventh Session—Twenty-first Parliament

1952-53

CAIXC 2

-53P55

## SPECIAL COMMITTEE

ON

# BILL 107

## An Act to Amend The Post Office Act

and the regulations, general administration and operation of the  
rural mail delivery service

*Chairman:* R. McCUBBIN, Esq.

## MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

INCLUDING THIRD AND FINAL REPORT

TUESDAY, APRIL 14, 1953

WITNESS:

Mr. E. J. Underwood, Chief Executive Officer, Post Office Department.

The Committee was impressed with the ramifications and complexities of the problem relating to mail service, particularly the rural mail delivery, and wishes to place on record its appreciation of the assistance rendered by the officials of the Department who came prepared to supply all possible data and gave the Committee full information in a clear, concise and efficient manner.

A copy of the Committee's Minutes of Proceedings and Evidence is tabled herewith.

All of which is respectfully submitted.

ROBERT McCUBBIN,  
*Chairman.*



## MINUTES OF PROCEEDINGS

TUESDAY, April 14, 1953.

The Special Committee appointed to consider Bill No. 107, an Act to amend the Post Office Act, and also the regulations, general administration and operation of the rural mail delivery service, met this day at 3 o'clock p.m. The Chairman, Mr. Robert McCubbin, presided.

*Members present:* Messrs. Ashbourne, Brisson, Bryce, Cardiff, Coyle, Cruickshank, Dinsdale, Dumas, Dupuis, Fair, Garland, Langlois (*Gaspé*), MacKenzie, McCubbin, McCulloch, Robertson and Welbourn.

*In attendance:* Mr. E. J. Underwood, Chief Executive Officer; Mr. G. Boyle, Director, Communications Branch; and Mr. E. H. Devine, Supervisor, Audit Section, Land Mail Service; all of the Post Office Department.

The Chairman invited discussion on the regulations, general administration and operation of the rural mail delivery service.

Mr. Underwood was called, examined and retired.

Following discussion, it was agreed that the Committee adjourn until 4.30 o'clock p.m. this day; and that in the interim the Sub-Committee on Agenda should meet to draft a report to the House for consideration of the Committee.

Prior to adjournment, the Chairman thanked the officials of the Post Office Department for the kindly and helpful way in which they had answered questions during the proceedings of the Committee.

The Committee adjourned at 4 o'clock p.m.

The Committee reconvened *in camera* at 4.30 o'clock p.m., Mr. McCubbin, Chairman, presiding.

*Members present:* Messrs. Ashbourne, Boucher, Brisson, Bryce, Cardiff, Coyle, Cruickshank, Dupuis, Fair, Langlois (*Gaspé*), MacKenzie, McCubbin, McCulloch, McWilliam, Robertson and Welbourn.

The Chairman presented the draft report which had been recommended by the Sub-Committee. The report was discussed paragraph by paragraph.

On motion of Mr. Fair, it was unanimously resolved that the report as drafted be adopted.

*Ordered,*—That the report be submitted to the House as the Committee's Third and Final Report.

At 4.40 o'clock p.m., the Committee adjourned.

ERIC H. JONES,  
*Clerk of the Committee.*



## EVIDENCE

APRIL 14, 1953.

4.00 p.m.

The CHAIRMAN: Gentlemen, we have a quorum now. As you know, we passed the bill at our last meeting and it has been reported to the House and is now in the Senate.

We agreed at the start of this committee that if there arose any matters of general administration which would be of benefit to the rural mail system we would be glad to discuss that at another meeting. For that reason we are holding this meeting today; if any members have anything to say with respect to the general administration of the rural mail service, now is the time to say it, for we intend as soon as possible to draft a report, have it presented to the committee and in turn present it to the House.

Mr. BRYCE: Mr. Chairman, I got no notice of this meeting. It was only through the kindness of my friend from the Fraser Valley, who told me that there was to be a meeting today, that I learned of it. I visited my mail box as late as two o'clock and there was no notice there. I would ask to be put on the list again.

Mr. CRUICKSHANK: That is a good matter to take up with the post office right now!

Mr. LANGLOIS: The post office department has nothing to do with the post office in this building.

The CHAIRMAN: We are very sorry that that happened. Have any of you anything to say with respect to general administration?

Mr. CRUICKSHANK: Is this just a recommendation or is it going to alter the Act, anything that we suggest now?

The CHAIRMAN: No, it is not going to alter the Act; it is only for the efficient running of the rural mail service.

Mr. BRYCE: You don't want us to go into individual cases?

The CHAIRMAN: No, I would not do that.

Mr. BRYCE: We can do that on the estimates.

Mr. FAIR: At earlier meetings, Mr. Chairman, I brought up the question of frequency of service. We notice in different sections that services run anywhere from two to six times a week, and I suggested that those on the twice or thrice weekly deliveries should get a little better service. Has there been any discussion on that among the department officials?

**Mr. E. J. Underwood, Chief Executive Officer, Post Office Department, called:**

The WITNESS: No, there has been no particular discussion on it. Each case is dealt with on its merits. Naturally, in some cases we cannot give more than two or three services a week, because the railways running into those points are on a twice or thrice weekly service. When there are only a few boxes, or it is only a small route, or the revenue in the area is very restricted, it has been considered to give those people a daily service would be to give a service that was outside the revenue derived from it. We appreciate that revenue is not the only factor, but, notwithstanding that, we do naturally in the administration of the department try to arrive at some place between cost and revenue. If there are any particular cases where possibly you feel a more frequent



service is justified from the business in that locality, or from the point of view of service of the people there, I am sure if you bring up those individual cases we will be very glad to attend to them. But we cannot very well accept a general dictum that you take the twice-a-week delivery services and make them three times a week or more, because very often the service facilities running into these places would not permit us to do that.

Mr. FAIR: I have some cases where there are three deliveries a week, once by train and twice by truck. In the town I am living in at the present time we have daily trains going both ways, east and west, and two mail services a week, so I was wondering when I see other people in other sections of the country getting six deliveries a week, if we could not in some way have that levelled off by a little bit. In connection with the revenue, the post office over the past five years has had an average business amounting to \$23,000 a year.

The WITNESS: I do not know what the circumstances are. We would be very glad to look into it but I would say that any post office or any area with \$23,000 annual revenue should get a better service than twice a week.

Mr. FAIR: That is what I thought and that is why I brought the matter up.

The WITNESS: Mr. Boyle would be very glad to go into it, but there must be some reason for it.

Mr. FAIR: Another point that I might bring up while we are here discussing rural mail services is the revision of the rural directories. From time to time we send out speeches and get a number of them back, and once in a while we get a note from the post office asking us to please correct our mailing list. Well, I fire it right back again to them and say, "We are working on the list you submitted". I wonder if we can have anything done about that. At the present time, I understand the department is revising these rural directories on the basis of the old constituency boundaries, and perhaps in a month or two we will have dissolution of parliament and then the lists will be out of date.

The WITNESS: They will have to be revised at that time. There is no doubt that this question of the rural directories is rather a difficult one because we rely on the services of postmasters and others to get the data. Now we cannot very well go over the whole Dominion and say "Give us up to date information on these routes today". It is a progressive work, so that the staffs can be reasonably employed and very often it happens that we no sooner go through a district and get an up to date list of the rural patrons and accept certain changes, when we have to revise it again.

Mr. FAIR: Yes, I understand there are continuous changes.

The WITNESS: There are many, many difficulties; but it is our desire to get these rural directories as much up to date as we practically can.

Mr. FAIR: I can realize the difficulty you have with that kind of thing.

Mr. CRUICKSHANK: Is it not up to the postmaster to see that they have the rural lists on hand and the new lists that are put out? A postmaster returned a bunch of letters to me. There is no patronage or I would fire that postmaster. There is going to be a lot of trouble when I get home, I can tell you that.

The WITNESS: There is no question of patronage.

Mr. CRUICKSHANK: If there was patronage I would fire the postmaster. I would chase him to find the fellow on rural route one who is now on rural route two; that is the postmaster's job.

The WITNESS: The question is one of redirection. If the letters are paid at the letter rate we go ahead and try to find that man wherever he may be, but when it comes down to printed matter we cannot give as good a service.

Mr. CRUICKSHANK: You have got the point wrong. This was in a plain envelope.

The WITNESS: Prepaid at letter rate?

Mr. CRUICKSHANK: On my frank. It might have been a personal letter from me to that man offering him a trip to Europe or something.

The WITNESS: I admit that if it is first class mail or on your frank, we should try and find out where that man is. I did not know it was first class mail you were talking about.

Mr. CRUICKSHANK: I am going to send back to him the whole lot in one envelope and say, "You find these addresses if you have to deliver them personally".

Mr. MACKENZIE: How often do you publish your post office directories which the members receive from time to time?

The WITNESS: There is no specific time. We do not say that we publish them every six months or every year, but we have a certain staff who are engaged on the work continuously. It is about once a year—I do not really know. If you are particularly interested I will find out and let you know.

Mr. MACKENZIE: It could not be revised every month, but I wondered how often they are revised.

The WITNESS: I will find it out for you.

Mr. WELBOURN: I was going to suggest that we have the witness introduced to the committee.

The CHAIRMAN: This is Mr. E. J. Underwood, Assistant to the Deputy Minister and Chief Executive Officer of the Post Office Department, and Mr. G. Boyle, Director of Communications Branch; the other gentleman is Mr. E. H. Devine, of the Land Services Division. I am sorry I did not introduce these gentlemen at the start.

Are there any other questions you would like to ask these gentlemen?

Mr. CARDIFF: I have a sheaf of correspondence I would like to pass over to the Post Office Department. The bill has been passed now and there is nothing more we can do in regard to it. But I was one of those who insisted that the rural mail carriers association be invited to make representation here, which they did not do; they had the opportunity and I think they should have appeared before the committee so we could have heard all their complaints. They did not do that, and since we met last I got this sheaf of correspondence; all of it was not directed to me but was handed to me because I was on the committee; I am going to hand it over to the Post Office Department. They are more or less all alike and it would take some time to read them.

The CHAIRMAN: Are there any further questions?

Mr. DINSDALE: Some of the problems relate directly to the bill.

Mr. CARDIFF: I did not read them.

The CHAIRMAN: I have 400 of them and they are all the same.

Mr. CARDIFF: They are all complaints. They are not all the same. Some are of rather a personal nature.

Mr. DINSDALE: What is the main complaint?

The CHAIRMAN: That the tender system should be done away with.

Mr. COYLE: I have quite a few letters from postmasters and one in particular which I would not mind sending in. This postmaster has to be up at six o'clock in the morning and must remain up until late at night because he has the morning mail at six a.m. and the mail at night at six p.m.; and he is paid a very small salary. He says he was informed he could close for two

or three hours during the day, but the noon hours are the hours when most of the farmers come in and want to buy stamps and do other business.

Mr. MACKENZIE: He is a postmaster?

Mr. COYLE: Yes.

The WITNESS: We appreciate the question of payment to rural postmasters is a very difficult one and it is receiving continuing study. At the present time the revenue of the office has a great deal to do with the salary paid.

Mr. MACKENZIE: If it is over three thousand dollars he is on a fixed salary rate?

The WITNESS: Yes. They are put in groups and these groups are based on the revenue. We do take into consideration those conditions you have referred to when a man has to get up early in the morning and work late at night.

Mr. CARDIFF: I think he is on a line where the mail goes into the city early in the morning and back late at night.

The WITNESS: Have you any idea what the revenue would be?

Mr. CARDIFF: No.

The WITNESS: I should like to have that one case; we would be very glad to look into it.

Mr. DUPUIS: I understand this committee is sitting exclusively to study rural matters and not urban mail matters?

The CHAIRMAN: That is right.

Mr. DINSDALE: Has there been any further word from Mr. Webster, the Secretary of the Rural Mail Couriers Association of Canada?

The CHAIRMAN: He has not so indicated to me, but he has indicated to some of the other members that he is not preparing any brief.

I am going to read one of these questionnaires. This is all typed in and then the answer is given.

Name of courier: L. Chappelle. Mailing address: Newmarket. Route number: R.R. No. 2 and No. 3. Place: Newmarket. Number of boxes: 475. Mileage of pavement 15; Mileage of gravel 70. Time required sorting routes: R.R. No. 3—1 hour; R.R. No. 2—2 hours, 30 minutes. Time delivering routes: 1 hour, 30 minutes and 3 hours, 30 minutes. Number of days per week: 6 days. Type of vehicle used: half-ton pick-up. Delivery made, a.m. or p.m.: both. Are you in favour of better working conditions? (yes or no): Yes. Are you in favour of having all small boxes abolished? (yes or no): Yes. Does your route require full time or part time? 8 to 9 hours. Are you in favour of having an inspection of route once each year? (yes or no): Yes. Are you in favour of abolishing the contract system and adopting a mileage rate of pay? (yes or no): Yes.

Mr. DINSDALE: Who sent out the questionnaire?

The CHAIRMAN: I do not know.

Mr. LANGLOIS: Presumably the Association.

Mr. DINSDALE: And were they circulated in any province other than Ontario?

The CHAIRMAN: Every province.

Mr. LANGLOIS: Mr. Webster said in the correspondence exchanged with us that he was making a survey throughout Canada and that must be the result of the survey.

Mr. DINSDALE: He also said he would favour the contract system?

Mr. LANGLOIS: He said he would favour readjustments of contracts without throwing the contract up to tender again. Those are the words he used.



The CHAIRMAN: Is there anything else?

Mr. CRUICKSHANK: I would suggest further study be given to providing maximum mail service; we do not get the maximum of service now. I think in my own riding we get the six days out of the week and I suggest further consideration or study should be given to providing greater service to those not receiving the maximum and especially to those who do not get mail delivery at all. In North Vancouver a boat will only go certain days a week and that is the only time you can get mail.

The WITNESS: The number of routes we have with daily frequency is 4,376; the number with 5 days a week service is 5, and four days a week service 21, 3 day a week service 416 and two trips a week 373. So you can see by far the larger majority do get service six times a week, and the others in many cases would be just a question of available transport.

Mr. CRUICKSHANK: I think we should give further consideration to those who have no service at all, and consequently, in endeavouring to improve the service, I can see no reason why it could not be improved. The train is going through and those extensions to existing routes—how many does there have to be in a quarter of a mile?

The WITNESS: Four boxes to a mile.

Mr. CRUICKSHANK: I suppose that is a cut and dried rule. But there are certain places where it works a direct hardship. There are three I know of, and the fourth one may be fifty feet away. Under existing regulations that is a distinct hardship on those three at least, because the fourth one may be just across the border. If you could indirectly suggest to your supervisors that they stammer a bit when measuring that last 40 feet, I think it would solve the problem. If you would use a little more common sense than is used around Ottawa, there would be less trouble. I do suggest that further consideration be given to these cases.

Mr. FAIR: I second that.

Mr. COYLE: I have had more complaints about the extension of my routes at home than about anything else. On one route there are three families, just down a ways, and the mail courier used to go down in there, but apparently it is just a little bit too far. And these three farmers have to go up to the corner to get their mail. The roads are good, and I think that should be taken into consideration and you should go a little easier on the extension of routes.

Mr. McCULLOCH: How often do rural mail books come out?

The WITNESS: I think it is about once a year, but I am not sure.

Mr. McCULLOCH: I know that a lot of names listed in my riding are of people who are dead. Perhaps I have not got the latest one.

The WITNESS: I will make an inquiry.

Mr. CRUICKSHANK: Do not check on that until after the election.

Mr. McCULLOCH: I do not have to check them.

Mr. CARDIFF: I have one man in my riding who has been on a route for 40 years but last year he was cut off because he was 40 rods from the corner. They used to go around right past his gate and they continued to do that up until last year when his box was cut off. But he is only about one mile or so from the village, and rather than to walk down to the corner for his mail, he prefers to go to Bluevale for it. It seems too bad that after 40 years he has got his mail delivery cut off when it would not be over 40 rods for the mailman to go that way. His name is Joe Greenway, and his address is R.R. No. 2, Bluevale.

Mr. LANGLOIS: Was it a case where the route was changed?

Mr. CARDIFF: There was a B-line put there and a highway went through there and it cut off this corner. For years he was served at his gate. And

then this road went through there and, of course, this last 2 or 3 years the mailman had to turn up from the corner and serve the mail box and come back.

The CHAIRMAN: Let me know if you get that one adjusted, because I have got four cases just the same as yours. There is a line put there and they had to come on to the other line, and the fellow back of the old route is out.

Mr. CARDIFF: That is right.

The CHAIRMAN: I have got four of them.

Mr. MACKENZIE: If I understand the regulations correctly, there must be two to the half mile of four to the mile. And it is purely a regulation within the department itself?

The WITNESS: It is a regulation.

Mr. MACKENZIE: It has nothing whatever to do with the Post Office Act? And you can change your yardstick or lengthen it, if you wish?

The WITNESS: It is not legislation.

Mr. MACKENZIE: It is purely within your discretion then?

The WITNESS: That is right.

Mr. MACKENZIE: And another thing that is most important is arriving at a solution for the rural mail couriers: I think it is most important to establish a basic rate of pay, and then work from that basic rate of pay on routes which have difficulties, or some problems that the other routes do not have, because it costs each car, or the operation of each car costs, approximately the same. You have a route, let us say, in the Windsor area which is close to \$70 a mile and then you have a route some place else of only around \$50 a mile; yet you still have the same cost to operate them. It seems to me that you will never get it satisfactory until you have some basic rate of pay, and work from that basic rate of pay, and pay for the routes individually and govern every case by itself. Moreover, in fairness to Mr. Webster, whom I know very well, let me say that he came down here in 1936, and you must have met him yourself in 1936. He wrote me a letter two weeks ago and said he felt that you did not give him enough time to prepare his brief. And he asked me to bring this up and I am doing so. He cannot do it now, but he said he did not have sufficient time to prepare a brief which he would have liked to prepared and submit to this committee at the time they were discussing this problem of rural mail.

Mr. ROBERTSON: We gave him every opportunity to present his complaints.

Mr. LANGLOIS: Mr. Webster got in touch with us as early as May, 1952, and said that he was pleased that we were going to have a committee. And this committee was formed sometime in March, 1953. He knew that this committee was coming along and he surely had time to prepare something.

Mr. ROBERTSON: His wife telephoned that he was not interested.

The CHAIRMAN: Yes. His wife repeated to me what he said.

Mr. CRUICKSHANK: That four boxes to a mile is purely permissive?

The WITNESS: That is the regulation.

Mr. CRUICKSHANK: If there are five off the route, or from the crossing, they have to be a quarter of a mile beyond the existing route?

The WITNESS: If he is on a straight route.

Mr. CRUICKSHANK: But if they are not on the route, and you come to two routes adjoining, and one goes off?

The WITNESS: There is a regulation. We do not go off a main travelled route in order to serve a farmer or a resident who is half a mile or less off that route.

Mr. CRUICKSHANK: But that is purely a regulation?

The WITNESS: Yes, it is a regulation.

Mr. CRUICKSHANK: I am thinking of one particular case about which we have only been writing three times a day. There are five who are over a quarter of a mile off in one area. It might be at Brandon, or that law-abiding place in the Fraser Valley. But five have had their boxes torn down within six months, and they are a long way up from the corner. Yet that is purely a regulation and not under the Act.

The WITNESS: You have got to have a certain balance between service and costs. If you are going to serve every resident in the Dominion, it will mean a tremendous outlay. We should have to have much more than the amount now required.

Mr. CRUICKSHANK: Every regulation, if it is going to be successful, must be guided by common sense.

The WITNESS: That is right.

Mr. BRYCE: But in a case where you only serve a district two days a week, you would not expect to get four boxes to the mile?

Mr. BOYLE: In your part of the country, Mr. Bryce, we cannot get four boxes to the mile. It is another case of common sense.

Mr. McCULLOCH: Did Mr. Cardiff not say he had a mail route with only three to the mile?

Mr. CARDIFF: Yes.

Mr. McCULLOCH: I thought so. I had a couple of mail routes a few years ago where there was only three to the mile.

The WITNESS: There is no doubt that we try to get four boxes to the mile. But suppose that only two or three people live on a portion of the route we do not then cut off the service. And we have many cases where we originally started off with four boxes to a mile but today we have only got three boxes or even less than three, but you will not find a depreciated service.

Mr. CRUICKSHANK: You have it within your power to cut or not to cut. You have the authority. It is purely a matter of regulations, and I think that common sense should rule.

The WITNESS: That is right.

Mr. CRUICKSHANK: It all depends on your good judgment.

The WITNESS: We try, as Mr. Turnbull indicated when speaking to you, to render a service so as to live within our revenues and, in doing so, we try to be as reasonable as we can in giving that service. At the present time our regulations call for four boxes a mile. We do not deliver off a route for one half a mile, but even in the cities we will not put up sub post offices within one half a mile of each other. And we do not try to deliver to rural boxes if they are within half a mile of the post office, because in practice, if you get it down to a quarter of a mile, it becomes a question of whether we should not close the post office.

Mr. LANGLOIS: When considering the establishment of a new route and we find that it does not come up to the minimum of four boxes to the mile, we are prepared to consider giving a service on a less frequent basis, let us say, two or three or four times a week instead of a daily service.

Mr. FAIR: Four boxes to the mile is a requirement for six deliveries a week.

Mr. LANGLOIS: A daily service.

The WITNESS: We have been accepting two boxes to the mile on some weekly services.

Mr. CARDIFF: In the summer months a great many of those extensions could be granted, when you would not be expected to keep it up in winter time when the roads are practically blocked with snow. But in the summer time these farmers feel that they deserve a service the same as other people. And I think it would help the feeling and help the attitude of other people towards



the mail couriers if you would condescend to give them a delivery for six months when the roads are open and when there is not too far a distance to come.

The WITNESS: That is one difficulty we meet with very very often on the prairies, and in some cases we have a daily service. But in many cases the courier tries to plow through a longer road through snow banks. Only last summer I was talking to our district inspectors, and one of them said: "Often when the courier gets to the box he finds the farmer coming back from town. The farmer has been able to go to and from town by cutting across his land and probably does not follow the road. While in many cases the contractor must go by the highway, and the farmer is able to cut across his own land and get into the post office much easier."

Mr. CARDIFF: I have in mind a certain old lady living about half a mile from the corner. She is over 80, very intelligent and very bright, and she can write a really smart letter, well educated. She had no way of getting to town for mail, and could not walk to town, and did not feel like walking to the corner. She was satisfied if they delivered mail in the summer time, which they did, I understand, for the first time last summer; that pleased her very much. In winter she gets along as best she can, but in the summer time they deliver the mail. The mailman said he did not mind in summer, but in winter time he did not care to go that way. There are a great many instances like that, where the service could be improved upon, and it would please a lot of people who think they are being discriminated against, because of the fact they walk quite a distance to get their mail.

Mr. CRUICKSHANK: Have you any record of the longest route?

The WITNESS: Yes, I think we have. We have one out at Winnipeg that is 80 miles long. There are 834 boxes on the route.

Mr. CRUICKSHANK: Is that daily?

The WITNESS: Yes—six times a week.

Mr. CRUICKSHANK: Just for my own information, and the information of some of my colleagues, you do not happen to have the remuneration that man gets?

The WITNESS: No, I have not got that here. This is just under the heading of long routes and short routes.

Mr. CRUICKSHANK: 80 miles long and how many boxes?

The WITNESS: 834 boxes.

Mr. FAIR: What route number is that?

The WITNESS: Winnipeg rural route No. 1, along the River road. It is a tremendous route.

Mr. CRUICKSHANK: I do not see how he can do it.

The WITNESS: We have difficulty in getting men to do it, and sometimes we give assistance in the post office to help serve that route.

Mr. CRUICKSHANK: Another question I would like to ask. As I understand it there is provision in exceptional seasons like Christmas under which a mail carrier can get helpers?

The WITNESS: No, they have to provide their own help.

Mr. CRUICKSHANK: I thought there was a provision that if it was a very heavy route—

The WITNESS: I should correct that by saying that exceptionally in some of these very long routes, during the Christmas period we put a man in the post office who routes the mail for the carrier so that when he comes in in the morning, his mail is all ready.

Mr. CRUICKSHANK: I am asking for that information, but not necessarily on particular routes. I think 34 miles is the longest in my riding or perhaps it

is 36, but they have a large number of boxes, and in the Christmas season I do not see how they can possibly get a man to cover 80 miles.

The WITNESS: I think they are all dealt with on their merits. Help has been given on some of these tremendously long routes where sometimes there is a box in front of every house. I think in one area we counted 120 boxes to the mile. In these cases we have given assistance at Christmas.

Mr. CRUICKSHANK: That is what I am getting at. There is provision at Christmas season for assistance such as that?

The WITNESS: It is a matter of giving service.

Mr. LANGLOIS: Common sense again.

Mr. BRYCE: Are you considering any improvements in cases like that?

The WITNESS: We have to consider in some of these routes like the one outside New Westminster whether we are going to take out the old system, and put in a new group box system, and pay so much a day, or an annual salary, and have them deliver to the boxes. We have recently developed a system of group boxes which will take care of routes of that kind. Instead of boxes all strung along, a courier goes to one spot that probably serves 20 boxes.

Mr. CRUICKSHANK: And then you are going to have people complain.

Mr. BRYCE: People who have had daily mail brought to their door for the last 10 years will complain.

The WITNESS: We are trying it along the Prescott highway, where you can see the first boxes erected.

Mr. LANGLOIS: In the Carleton riding.

Mr. McCULLOCH: Do you make any difference between a paved road and a dirt road?

The WITNESS: It is very difficult, because of the grading of the road. We have to take into consideration many factors, it is really a matter of time. We have to send our inspectors in to go over the route and find out how long it takes.

Mr. McCULLOCH: But along a dirt road a car will only last a couple of years.

The WITNESS: Yes, I can understand that, but as far as we can see the most logical way is for our inspectors to go over the route and find out, then there can be no question about it.

Mr. McCULLOCH: But he may go over it on a fine day.

Mr. FAIR: Inspectors do not usually go over it on a bad day.

The WITNESS: They have to go over it in all kinds of weather.

Mr. GARLAND: Mr. Underwood, would you care to comment on the procedure or length of time it takes your department after they receive a general request for the establishment of a new rural route, where they never have been served before, how much time is required to study that problem? What are the mechanics of that study? Would you care to comment?

The WITNESS: Yes, but it is rather a difficult question to answer because again the situation varies. Let me explain the procedure. First, we get an inquiry in Ottawa; it is sent out to the district inspector in, say, your area to North Bay. He gets the inspector to go over the route. It may be at the time they are not very busy, and he should complete it in two or three weeks; but I happen to know that in North Bay during the last four or five months they have been very busy with certain investigations in regard to gold brick robberies which took place in the Sudbury area. I would say that normally you should get a report within a period of a month to six weeks.

Mr. CRUICKSHANK: May I just follow that up. Supposing it is approved, how long is it before it is put into action?

The WITNESS: If it is approved, we immediately ask the prices, and if 50 per cent of the box holders are willing to take the service, in she goes.

Mr. GARLAND: If you had a request for an increase in frequency, would that take the same amount of time?

The WITNESS: Yes it would, because normally we have about four inspectors to a district, and, as you know—take for example the North Bay district, it stretches from North Bay to Fort William, and down from the Soo, so you have a large area to cover.

Mr. GARLAND: I am not complaining in any way, but simply looking for information.

Mr. LANGLOIS: Mr. Garland, in cases where an extension is made, you avoid unnecessary delay such as occurs in the case of a new route, where you have to invite tenders. In the case of an extension, we do not have to invite tenders. We are paying the contractor on a pro rata basis.

Mr. GARLAND: I am concerned with the amount of time that elapses.

Mr. LANGLOIS: Sometimes in the case of new routes, the delay is increased due to the fact that patrons take some time in making their minds about buying boxes; that is one of the difficulties.

The WITNESS: We feel we should not start until 50 per cent of the people wish to have their mail that way.

Mr. BRYCE: The boxes are still \$4 each?

The WITNESS: Yes.

The CHAIRMAN: Anything else? If not, the steering committee is going to meet now to draft out the report in line with some of the requests you have made today. Then I would like if the committee would come back here at 4.30 to hear this report. We will sit in camera on the report. In the place of Mr. Dinsdale, who has to attend the broadcasting committee, I am asking Mr. Cardiff to sit on the steering committee in his place.

Mr. CRUICKSHANK: What about my motion?

The CHAIRMAN: We will incorporate it into this report.

Mr. LANGLOIS: If you want to put the motion now it will be all right.

Mr. MACKENZIE: Do you want to carry it now?

The CHAIRMAN: If we do not bring it into the report, then, when we come back at 4.30, if you wish to do so, you can object.

Mr. CRUICKSHANK: I am not going to object. You get the extension I want, that is all.

The CHAIRMAN: Are you all in favour of coming back at 4.30?

Agreed.

The WITNESS: I might just mention that we lose money on every rural box we sell.

Mr. BRYCE: I was just wondering if the price had decreased.

Mr. LANGLOIS: No, it has not.

Mr. CRUICKSHANK: I would like to follow up a point in regard to the question of application. It would be pretty foolish—I will put it mildly—for a rural route mail carrier not to apply for an increase. I know you cannot say how long it is going to take to consider these applications, but you said that in the North Bay district you have four inspectors. Have you any idea how many there are in Vancouver?

The WITNESS: Five.



Mr. CRUICKSHANK: Is that the whole of British Columbia?

The WITNESS: Yes.

Mr. CRUICKSHANK: Well, that is the point I am getting at. I think in fairness to the carrier—and he is the man we are trying to do something for—I can see there will be delays possibly in arriving at how much he should get of an increase, if any, but I think it should be retroactive.

Mr. BOYLE: I agree with that.

Mr. CRUICKSHANK: It will be?

Mr. BOYLE: To the date of his application.

Mr. LANGLOIS: Provided his application has not been made prior to the date the bill had received royal assent.

The CHAIRMAN: All right, gentlemen, we will meet at 4.30. There is something I want to say—I want to thank the officials of the Post Office Department for the kindly way in which they have endeavoured to answer the questions we put to them.

The committee adjourned.



















